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NEWS SUMMARY

GENERAL

New Times talks agreed

The National Graphical Association accepted an invitation for talks with the management of The Times to hear new proposals for the introduction of new technology.

The date and place of the meeting—the first since talks broke down on April 12—were not disclosed.

A new formula for introducing computer-linked keyboards will be put forward by "Duke" Hussey, chief executive of Times Newspapers. Page 11

Begin stand

Israel will never give up the occupied Golan Heights, even in exchange for a peace agreement with Syria, Mr. Menahem Begin said. Radio Riyadh accused Egypt's President Anwar Sadat of being a liar. Back and Page 4

Troops build-up

Vietnam is reinforcing its troops along the border with China to counter the renewed attack it fears following the stalemate in talks between the two countries. Page 4

Paris blasts

A wave of bomb attacks in central and suburban Paris followed the traditional Labour Day celebrations. No-one was hurt. Several previously-unknown organisations and individuals claimed responsibility. Extra police patrols are planned. Page 2

Russian leaves

Alexander Istomin, the Russian journalist who sought political asylum in London, flew back to Moscow despite being granted a 12-month extension of permission to stay in the UK. The Home Office was considering the case of Soviet folk dance group interpreter Galina Orionova who asked for asylum at Heathrow on Monday.

Laker cargo plan

Sir Freddie Laker, chairman of Laker Airways, wants to offer advance bookings and to carry cargo and mail on his Skytrain cheap-fare flights between Gatwick and New York and Los Angeles. Page 6

Cold spell stays

Much of northern England had two inches of snow and the south suffered widespread frost and black ice in the coldest start to May since records began in 1931. The cold spell could last a few days, which means a chilly prospect for today's voters.

Basque initiative

The Spanish Government seems poised to launch an initiative in the Basque country where two Civil Guards were shot dead, bringing to 31 the number of killings this year by ETA separatist guerrillas. Page 3

Workers excluded

Migrant workers—nearly a third of South Africa's black labour force—will be excluded from the proposed industrial relations deal. Page 4

Briefly . . .

Japanese mountaineers have climbed the 23,400 ft Tilicho and the 21,680 ft Tamserku peaks in the Himalayas.

Underground newspaper on sale at Peking's Democracy Wall appealed for freedom of speech in China.

Film star John Wayne, who had a major stomach operation in January, has returned to hospital.

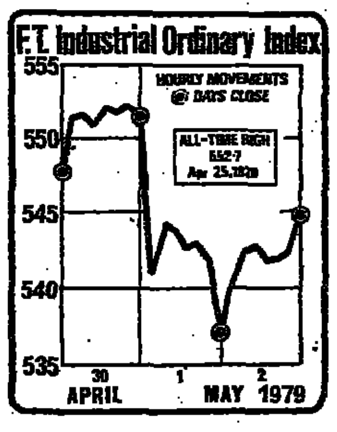
Supermarket tycoon Julius Kravitz, aged 67, was shot dead by kidnappers in Ohio after he failed to raise a $1.5m ransom by telephone.

Woman threw five of her children, all under the age of six, into a river at Calgary, Alberta, and then jumped in. All are thought to have died.

BUSINESS

Equities up 7.8; Gilts recover

● EQUITIES regained more than half the previous day's losses, and the FT ordinary share index rose 7.8 to 544.8 as investors' confidence returned.



● GILTS recovered after publication of the latest UK official reserve figures, and the Government Securities index rose 0.24 to 75.32.

● STERLING gained 75 points in quiet trading to close at $2.0680. Its trade-weighted index rose to 67.2 (66.9), and the dollar's rose to 86.6 (86.5).

● GOLD in London rose $½ in cautious trading to close at $246¼.

● WALL STREET was 0.87 down at 854.64 just before the close.

● WEST EUROPEAN chemical companies are falling "dangerously" far behind their U.S. competitors on profitability, costs and produce prices, a BASF managing director has said. Back Page

● THE U.S. and Canada have threatened to pull out of the Multifibres Agreement which governs world trade in textiles if Third World countries refuse to allow them to impose import curbs under exceptional circumstances. Page 5

● LIDEN (HOLDINGS) auditors are to seek re-election at the annual meeting now to be held on May 29 after direct intervention in the disagreement between the Board and the auditors by five institutional shareholders. Page 26

● LLOYD'S has accepted the opinion of Sasse managing aganet Mr. Stephen Merrett that a probe si needed into other underwriting syndicates formerly managed by Mr. Frederick Sasse. Page 6

● POOR QUALITY disc brake pad materials, mostly from Spain and Italy, are being sold in the UK, a group of UK manufacturers has claimed. Page 7

● DUTCH Government has invoked a four-year agreement which allows it to borrow extra funds from the central bank to meet temporary cash shortages. Page 2

LABOUR

● POSTAL WORKERS have overwhelmingly rejected by ballot a pay and productivity offer worth 12 per cent, while Civil Service unions have formally agreed a pay deal averaging 25 per cent over eight months. Back Page; Economic Viewpoint, Page 24

COMPANIES

● NATIONAL and Commercial Banking Group pre-tax profits rose 51 per cent to £41.08m for the six months ended March 31, 1979. Page 27 and Lex

● WILMOT BREEDEN, the UK motor components manufacturer, has reluctantly dropped its opposition to the £24m bid from Rockwell International of the U.S. Page 30

● RSV, Holland's main shipbuilding group, is seeking up to Fl 750m ($364m) aid from the Dutch Government after last year's provisional net deficit of Fl 59.7m ($29m), well up on the Fl 49.6m loss of 1977. Page 33

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 11pc 1991 (£15 pd.)	£15	+ ¼
Blue Circle	330	+ 6
Boots	220	+ 8
Brocks Group	153	+ 7
Brown (J.)	571	+ 10
Burton A	308	+ 8
Distillers	245	+ 4
GEC	[illegible]	+ 4
Hestair	47	+ 4
Hogg Robinson	144	+ 8
Laporte	128	+ 9
Lloyds Bank	345	+ 13
Marks and Spencer	129	+ 4
Minty	140	+ 10
NatWest	385	+ 13
Saga Holidays	187	+ 5
Samuelson Film	230	+ 12
Taylor Woodrow	438	+ 8
Ward White	135	+ 14
Highlands	116	+ 4
MIM Hldgs.	226	+ 11
Northern Mining	73	+ 10
Pengkalen	90	+ 10
RTZ	348	+ 8

FALLS

Bambers	262	− 8
Marshall's Universal	152	− 10
National Carrol.	102	− 5
Turn-Consulate	79	− 4

Liberal strength may be growing

Narrow Tory lead in opinion polls

BY PHILIP RAWSTORNE

THE LATEST opinion polls predict that Mrs. Margaret Thatcher will lead a Conservative Government tomorrow with a small overall majority in the Commons.

But Liberal strength is still increasing and if concentrated *in the critical marginal seats* could deny the Tory leader her place in history as the first woman in 10 Downing Street.

Three opinion polls this morning give the Conservatives a lead ranging from 6 per cent to 2 per cent.

If reflected nationally in the *polling booths today*, a 6 per cent lead would give Mrs. Thatcher an overall majority of about 30 seats.

A 2 per cent lead would make the party the largest in the Commons, but would not be enough to give it overall command.

Mr. James Callaghan would have then the constitutional right to attempt to retain office by securing minority party support.

The polls suggest that outright victory could still be snatched from the Tory grasp by a varied pattern of voting in the country.

Canvass returns from the constituencies suggest sizeable gains for the Tories from Labour in London, the South of England and the Midlands.

Labour is reported to be strong in Scotland and the North of England, and the Liberals are recognised as a threat to one or two Tory seats.

The Marplan poll in today's Sun shows a marked rise in support for the Liberals, with the two main parties more or less steady in the past week.

According to Marplan, Liberal support has risen in the past week from 9 per cent to 13 per cent; *MORI in the Daily Express* shows an increase from 11 to 13.5 per cent.

The figures for the other parties are: MORI—Tories 44.4 per cent, Labour 38.8 per cent, others 3.3 per cent.

Marplan: Tories 42 per cent, Labour 36 per cent, others 3 per cent.

The Marplan poll also shows *a significant proportion of voters* —about 6 per cent—had not yet decided how to vote. A last-minute movement could increase the chances of a hung Parliament.

But Mrs. Thatcher, after a rapid tour of Labour-held marginals in London, said that Tory canvasses confirmed that there as "a very good chance" of a clear Conservative majority.

"We are quietly optimistic. We have very good grounds for *being optimistic*," *she declared*.

"I believe in my heart we shall get a majority. Not only in my heart—my head has done quite a lot of calculations as well."

Earlier yesterday the Tory Leader vigorously repeated that a vote for any of the minority parties would be wasted.

Mrs. Thatcher went on to issue a stern warning that if the Tories won, the workshy would face tougher times.

Unemployed people who persistently rejected suitable jobs would not be allowed to "continue living on social security payments taken from someone else's taxes."

Mr. Callaghan in Cardiff last night called for a vote of confidence in the Labour Government.

Labour had replaced confrontation by cooperation, he stressed; and he appealed to the nation not to turn back the clock.

The Ulster Unionists followed the Liberals yesterday in setting out their terms for co-operation with either a minority Tory or Labour Government in the new Parliament.

Mr. Harry West, leader of the Official Unionists, said the main condition that would be demanded would be agreement on a return to fully developed government for Northern Ireland.

STATE OF THE POLLS

	Final	Previous
Marplan Sun	6 p.c. Con. lead	7 p.c. Con. lead
MORI Daily Express	5.6 p.c. Con. lead	3 p.c. Con. lead
Gallup Daily Telegraph	2 p.c. Con. lead	5 p.c. Con. lead

Election news, Pages 6 and 7 ● Editorial comment, Page 24 ● The results — what to watch for tonight, Page 25

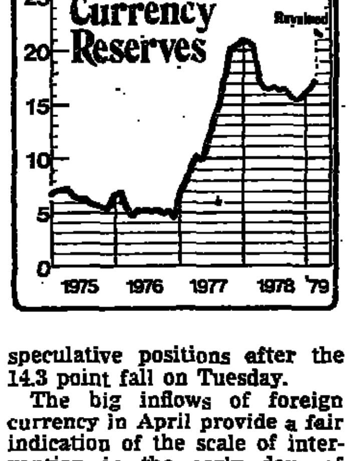
Big foreign currency inflow offset by repayment to IMF

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INFLOWS OF foreign currency into the UK amounted to $675m (£328m) during April. Most came in during the first few days of the month before the Bank of England stopped intervening on a large scale to check *the rise in sterling*.

However, these inflows were offset by big early repayments of Britain's overseas debts, *chiefly a further $1bn to the* International Monetary Fund.

Consequently, the official reserves fell during April by $480m to $21.47bn.



Announcement of these figures helped boost an already firm pound, which closed 75 points up at $2.0680 after a day's high of $2.0720. The trade-weighted index, measuring the value of sterling against a basket of other currencies, rose by 0.3 to 67.2.

Sentiment in both domestic financial and foreign exchange markets continued to be *affected by uncertainty about* the outcome of today's election.

Business on the stock market was small and the 7.8 point rise in the FT 30-share Industrial Ordinary Index up to 544.8 in part represented a closing of speculative positions after the 14.3 point fall on Tuesday.

The big inflows of foreign currency in April provide a fair indication of the scale of intervention in the early days of last month. But the flows may have been offset to a small extent by support for the pound on occasions in the last fortnight.

There were also the usual other transactions for Government departments with foreign central banks.

Heavy intervention early last month—after an underlying inflow of $1bn in March—forced the authorities to change their market tactics on April 5.

Since then, the aim has been to keep the market guessing without large-scale action. This *is in the hope of avoiding* inflows which would threaten domestic monetary control.

The result has been satisfactory from the authorities' point of view. After a rapid 2½ per cent rise in the trade-weighted index, sterling has settled down to fluctuate within a fairly narrow range.

The repayment of official debt continues to have a big impact on the published reserves total. Apart from the $1bn prepayment to the IMF, a further $81m was prepaid on the due dates to the Fund, the first of 16 equal quarterly instalments to pay back the oil facility drawings.

The UK has now repaid a total of $3.1bn to the IMF out of $5bn originally drawn. *Repayments so far are equivalent to* all the 1976 standby credit and all drawings under the four credit tranches.

Of the $1.9bn now outstanding, the repayment of $700m next year will have no impact on the reserves since it will reconstitute Britain's reserve position with the IMF. Hence it will count as an asset in the UK reserves' total.

Other repayments last month by various public sector bodies *totalled $141m, including the* $100m balance of an Electricity Council $500m prepayment. New borrowing amounted to $71m, mainly various EEC institutions.

This is all part of the policy of combining some net repayment of debt year by year with new borrowing to lengthen the involve the repayment of at least $5bn during 1979, as indicated by Mr. Denis Healey, the Chancellor, in his caretaker Budget speech on April 3. Some of this will be offset by new borrowing.

Money markets Page 35

P & O cuts back as profits fall

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

PENINSULAR and Oriental Steam Navigation yesterday reported sharply reduced profits and confirmed that it is to sell most of its energy division.

At £18.34m pre-tax, profits *were down by more than £24m* on the 1977 figure, and Lord Inchcape, the group's chairman, warned that 1979 would be another "poor year."

In spite of this, the troubled shipping company has maintained its dividend, although a large question-mark was placed over the 1979 dividend, which Lord Inchcape said would depend on factors impossible to forecast this year. The shares rose 2½p to 87½p.

As part of its efforts to cut overheads, P & O is also abandoning the three floors it still occupies in its 10-year-old headquarters building in Leadenhall Street in the City of London.

Displaced staff will join other P & O departments in nearby Beaufort House, a converted 1930s warehouse. So far 1,200 staff have left as a result of the group's contraction.

Lord Inchcape said, however, that the group would not be selling any property interests, which were providing high returns and which would be necessary as a base for future borrowing.

Another area in which the company hopes to improve its financial strength is in the sale of part of its 10-strong gas ship fleet.

P & O is even hopeful of finding a buyer for one or more of the large new liquid petroleum gas tankers built in Germany, which have been the biggest factor in the group's financial problems.

The vessels cost around £40m each and those which traded last year did so at less than half the rate needed to cover costs. Improved gas trading conditions since the Iranian crisis broke have lifted rates to 75 per cent.

Continued on Back Page
P & O results, Page 26
Furness Withy results, Page 28
Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

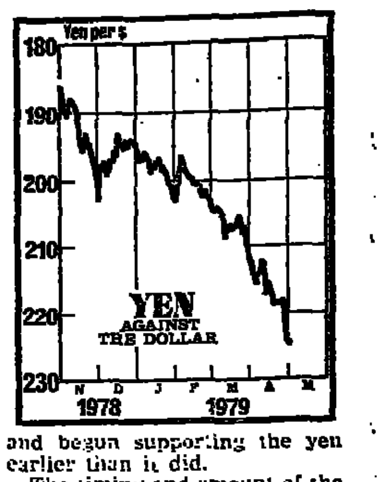
Fall in value of yen worries Tokyo

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE STEADY and rapid decline in the dollar-denominated exchange value of the yen is beginning to cause serious concern to the Japanese Government, even though the Tokyo Stock Exchange has reacted by reaching new highs.

The yen touched 225.80 to the dollar in Tokyo at one point yesterday morning, a decline of 6.65 points, 2.9 per cent since the end of last week.

Since October, when it reached its highest level in terms of the dollar since the end of the war, the depreciation has amounted to about Y50, roughly 22 per cent.



The Japanese Ministry of Finance, which keeps a careful watch on the yen's movements, would apparently like to see the rate floating somewhere around $1 to Y200.

The 220 to 230 range, within which the yen has been floating this week, means a substantial increase in the local currency costs of imported raw materials, including oil, which in turn threatens to cause a revival of inflation.

It also constitutes an incentive to Japanese industry to step up exports, since industry, which could scarcely afford to export when the dollar was worth less than Y200, can now do so at a handsome profit.

The basic cause of the yen's recent weakness has been the sudden shift to deficit in Japan's overall balance of payments.

The overall balance, including long-term capital movements, went into the red in October and has stayed there since, while the current-account balance, reflecting visible and invisible trade balances had its first deficit for over three years in March.

In the final three months of 1978 dollar-purchasing by the Bank of Japan to mitigate what was still believed to be the *underlying strength of the yen*, produced a further drain on the market's supply of foreign currency.

The accumulated payments deficits from October to March, combined with Bank of Japan dollar purchases, resulted in a total of $7.6bn being drawn out of the market in the six-month period.

The Bank of Japan started pumping dollars back into the market in the first three months of 1979, selling an estimated $4bn-plus in this period.

That still left the market starved of dollars at the beginning of April. The shortage has continued into May.

Critics of the Japanese Government's exchange rate management policies in the past half-year say the Bank of Japan should, in any case, have stopped supporting the dollar and begun supporting the yen earlier than it did.

The timing and amount of the 75 per cent increase in the Bank's discount rate announced on April 16 are felt to have been poorly judged.

The shift to a higher rate was intended to attract funds back into Japan and strengthen the exchange rate, besides dampening down local inflationary pressures.

It failed to do so in part because West Germany had acted sooner, increasing her discount rate by 1 per cent in March.

Official mishandling of exchange market and interest rate policies provides only part of the explanation for speed at which the yen has weakened. Most of the remaining blame lies with the rise in oil prices and other international commodity prices, which help increase Japan's import bill at a time when her exports are *falling fast in volume terms* under the impact of the yen's earlier revaluation against the dollar.

Officials seem worried that a further rise in oil prices later this year could create real problems for Japan's balance of payments.

This danger is being stressed less than the alternative fear that weakness of the yen could provoke a further surge of Japanese exports later in the year, leading inexorably to revival or intensification of trade frictions with the U.S. and Europe.

Because of this danger Japan would like to find ways of stopping the yen from sinking below the level of $1 to Y230.

Japanese Prime Minister in U.S. Page 4

£ in New York

	May 1	Previous
Spot	$2.0600-0610	$2.0675-0685
1 month	0.32-0.27 dis	0.31-0.26 dis
3 months	0.92-0.87 dis	0.70-0.65 dis
12 months	2.05-2.00 dis	1.90-1.75 dis

EUROPEAN NEWS

Britain moderate by EEC test of state spending

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS

DESPITE CLAIMS by the Conservative Party that public spending is out of control in Britain, general Government expenditure accounts for a smaller proportion of gross domestic product than in most other EEC countries, according to the European Commission.

What emerges from comparative statistics for the Nine published by the Commission in answer to a question from a European MP. They show that in 1977 the proportion of GDP devoted to general Government expenditure in Britain was 45.1 per cent, almost exactly the same as in France. Only in Denmark did it account for a smaller share of total economic activity.

In West Germany, often portrayed as the model of a social market economy, the equivalent proportion was 46.2 per cent. The two countries with the highest relative level of general Government expenditure were Luxembourg and the Netherlands, where it accounted for 57 per cent and 55.6 per cent of GDP respectively.

The commission defines general Government expenditure to include spending by central and local Government and the cost of social security and unemployment benefits. This covers direct Government subsidies to the public sector, but excludes lending to, and sales and purchases by, nationalised industries.

As far as central Government expenditure is concerned, Britain ranks much higher on the list. In 1977, central Government spending accounted for 33.6 per cent of GDP in Britain, second to Belgium, where it was equivalent to 36.2 per cent.

The country with the lowest percentage of GDP accounted for by central Government expenditure was France (23.9 per cent) and the figure for Germany was 26.7 per cent. For most other countries the figure was 30 per cent or slightly more.

Experts in Brussels point out that the structure of public finance in EEC countries varies considerably, making it difficult to establish direct comparisons on the basis of national budget figures. The commission has based its figures on its own formula for measuring national accounts, which includes some items which do not appear in central and local government budgets.

For instance, there is no public health service in Germany, where most health care is provided through a semi-private scheme. But to make the German statistics comparable with those of countries like Britain, the commission has counted the costs and benefits of the scheme as central Government expenditure.

W. German trade surplus declines

By Adrian Dicks in Bonn

WEST GERMANY'S surpluses on both its current account and its trade account during the first quarter of this year were well down from the first quarter of 1978, despite a sharp increase in both figures in March as compared to February, the Federal Statistical Office reported yesterday.

The first quarter trade surplus amounted to DM 7.9bn (£2.01bn) compared to DM 8.2bn (£2.24bn) in the first quarter of last year. This figure was buoyed by the DM 3.4bn (£865m) trade surplus for February—DM 1bn more than the February surplus, though still well below the DM 4.2bn (£1.07bn) monthly surplus in March 1978.

The current account surplus, which consists of the trade surplus less the customary deficit on services and transfers, amounted to DM 2.7bn (£687m) during the first quarter of this year, compared to DM 4.3bn (£1.09bn) in the first quarter of 1978. For March alone, the current account surplus was DM 1.9bn (£483m) compared to DM 3bn (£763m) a year previously.

The Statistical Office's figures, which are provisional and subject to correction show that exports have risen less than imports over the past 12 months, but that between February and March, exports rose a little faster than imports.

This picture coincides with a new mood of confidence among German export-oriented industries, documented earlier this week by the latest survey of business opinion by the IFO economic institute.

Reuter adds from Frankfurt: Bundesbank President, Dr. Otmar Emminger, says West Germany's business recovery has proved stronger than expected three months ago.

A strong investment boom seems to be in the making, he said, with foreign trade and employment also developing better than forecast in the federal Government's annual economic report in late January.

DUTCH GOVERNMENT INVOKES AGREEMENT ON CASH SHORTAGES

£235m Central Bank loan sought

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Government has invoked a four-year-old agreement which allows it to borrow extra funds from the Central Bank to meet temporary cash shortages. This move emphasises the Government's difficulties coming against the background of the warning from Dr. Jelle Zijlstra, the Central Bank president, about the size of the Government financing deficit.

The Finance Ministry may borrow up to just over Fl 1bn (£235m) at any one time in the 12 months to next February although the average amount borrowed must not exceed Fl 335m the borrowings will take the form of Treasury note placements with the Central Bank.

This is the first time the Finance Ministry has made use of this facility which was agreed with the bank in mid-1975. It has been triggered by the decline in the Treasury account with the bank in the final quarter of 1978 to less than 4 per cent of total budgetary income for last year.

But a Finance Ministry spokesman pointed out that similar borrowings had been made in the late 1960s and early 1970s to meet short-term cash shortages, usually in the summer months. This had become unnecessary in recent years because of the large balance of payments surpluses.

The Treasury notes will be issued for periods of at least one month although accelerated redemption is always possible. The rate of interest is bank rate, currently 6½ per cent.

The decision to borrow extra Central Bank funds comes at a time when the Government's financing requirement is expected to exceed the limit of 6 per cent of national income which it has set itself. Even the figure of 6 per cent has only been declared acceptable in the short term while the Government cuts the growth of public spending.

In his report, published on Tuesday, Dr. Zijlstra made it clear he felt the time had come for the emergency measures the Government had promised to be taken. These include a reduction of some spending programmes and more rapid collection of taxes. More fundamental measures are called for in 1980.

Not only are there limits on the extent to which the Government can tap the capital market for funds, there are also limits to monetary financing, normally the issue of Treasury Bills, he said. Monetary financing increases inflation and is only used as a last resort.

Despite his clear warning to the Government, Dr. Zijlstra has not made use of an escape clause in the 1975 agreement which allows him to refuse to lend if this is unacceptable in any year.

Muskie's NATO spending pledge

BY GILES MERRITT IN BRUSSELS

MR. EDMUND MUSKIE, the U.S. Senator from Maine, yesterday underlined U.S. efforts to meet NATO members' target of a 3 per cent increase in defence spending. Mr. Muskie said he hoped the U.S. would get as close to that target as possible, and estimated the rise in real defence spending at 2.5 to 3 per cent for fiscal 1980.

The senator, who is also chairman of the Senate Budget Committee and a member of the Senate Foreign Relations Committee, is visiting several European countries as a special representative of President Carter for discussions on economic and military issues. Yesterday he saw Dr. Joseph Luns, NATO's Secretary-General.

During his visit to Brussels, Mr. Muskie also held talks with Mr. Roy Jenkins, the EEC Commission President. He commented yesterday that while he detected signs of protectionist thinking in the U.S., he felt there were encouraging prospects for Congress approving the GATT trade agreement recently concluded in Tokyo. Mr. Muskie pointed out, however, that consideration of the GATT package by congressional committees had not yet begun.

On U.S. defence spending, Mr. Muskie told a Press conference at NATO's Brussels headquarters that, with inflation in the U.S. running at around 10 per cent, meeting NATO's target would require a 13 per cent overall increase in the defence budget. But he emphasised that, during the past three years, U.S. defence spending had risen in real terms by an annual 2.5 per cent. He said the defence budget for fiscal 1980, which begins on October 1, was likely to be $123bn to $124bn. Final details of the amount had still to be worked out at a forthcoming joint congressional conference.

Mr. Muskie was also at pains to explain the efforts being made to reduce the overall U.S. budget deficit. He pointed out that the $60bn deficit in 1978 had been reduced to $22bn for this fiscal year, and was to be cut back still further in 1980.

Mr. Muskie left Brussels yesterday to begin a four-day visit to Poland. He is of Polish descent, and will visit Warsaw and Cracow. He began his European tour with high-level meetings in Madrid and Lisbon, and after his Polish visit, is to go to Bonn before returning to Washington.

U.S. arms for Turkey

WASHINGTON — The Pentagon yesterday took steps to sell Turkey $111m worth of spares and ammunition for its Phantom fighter aircraft. The Defence Department notifying Congress of the proposed sale, stressed that it would provide "evidence of U.S. support for NATO and for Turkey."

Turkey has 65 F-4F fighters and eight RF-4C reconnaissance aircraft, among the most modern weapons in the Turkish arsenal. Turkey's military capability has deteriorated seriously, according to defence analysts, since the U.S. imposed its arms embargo on Turkey after the 1974 invasion of Cyprus.

A main source of U.S. concern for Turkey's security is the presence there of monitoring stations which would be important for ensuring that the provisions of the SALT 2 agreement with the Soviet Union were adhered to.

Bomb explosions sweep Paris and its suburbs

BY ROBERT MAUTHNER IN PARIS

A WAVE of bomb explosions hit Paris and its suburbs early yesterday, in the wake of the May Day demonstrations. Responsibility was claimed by several previously unknown organisations.

The wave of bomb attacks, which did not cause any injuries, follows similar incidents in Corsica and Toulouse, within the past few days.

In Toulouse, six bomb explosions occurred within two days.

Responsibility for six of the Paris attacks was claimed by a group calling itself the Organisation for Co-ordination of Revolutionary Action.

The group accused the State of fostering fascism, racism and sexism, and the Government of being responsible for the high rate of unemployment and repressive measures.

Another anonymous caller said the bomb attacks were the work of a "proletarian unification movement."

Police cars patrolling the Paris streets failed to trace any of those responsible.

Targets ranged from the headquarters of the French employers' federation (Patronat), which was peppered with machine-gun bullets, to a branch of the Rothschild Bank, a labour exchange, an office of the nationalised electricity organisation, police stations, and shops.

The only pattern so far to emerge from the attacks, is that most of the targets represent either the State, or symbolise capitalism.

Police suspect that the same groups of "autonomes," who caused so much havoc during the recent steel-workers' march through Paris, and clashed with police during Tuesday's May Day demonstrations in the capital, are mostly to blame.

● The French Government is to put extra police on the streets, as part of an urgent review of security, Reuter reports. This follows a report to the Cabinet by M. Christian Bonnet, Interior Minister, after the bomb blasts.

Workmen clear-up after a bomb destroyed part of the Electricité de France office in Paris.

Curfew is lifted in Istanbul

By Metin Munir in Ankara

TURKISH TROOPS returned to barracks yesterday as the first of the demonstrators arrested by police during May Day protests were released without being charged.

Officials said that about 2,500 people, including Left-wing trade union officials, were detained over the past four days for violating the May Day restrictions.

Istanbul returned to normal yesterday after the 29-hour curfew was lifted. Gen. Necdet Urug, the martial law administrator, had imposed the curfew because of fears that the violence of May Day two years before would be repeated.

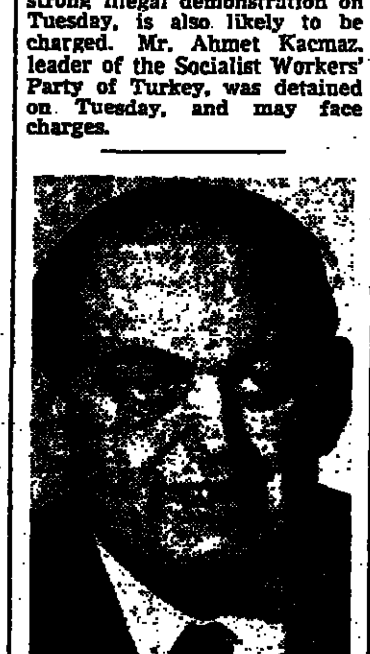
Of those arrested, most were Left-wing students and workers in Ankara and Istanbul, who had attempted to stage "pirate" May Day demonstrations.

Officials in Ankara said most of the other detainees were likely to be freed without being charged in the next few days. But charges will probably be brought against the leaders of DISK, the Confederation of Revolutionary Trade Unions.

Mr. Abdullah Basturk, the chairman, and at least eight other DISK leader swere taken into custody by troops last weekend.

They were charged with defying the Istanbul martial law administrator's ban on demonstrations—by calling on 250,000 DISK members to attend the May Day rally in Istanbul's Taksim Square.

Mrs. Behice Boran, chairman of the Communist Turkish Workers' Party, who led a 200-strong illegal demonstration on Tuesday, is also likely to be charged. Mr. Ahmet Kacmaz, leader of the Socialist Workers' Party of Turkey, was detained on Tuesday, and may face charges.



Mr. Mogens Glistrup (above), leader of the tax protest Progress Party, has been criticised for speaking at a May Day demonstration organised by a weekly newspaper widely regarded as betraying National Socialist sympathies, writes Hilary Barnes in Copenhagen.

Italian oil curbs likely soon

BY RUPERT CORNWELL IN ROME

TEXACO'S oil-rationing measures in the UK have been interpreted here as a warning of the need to act swiftly to curb Italy's oil products consumption. Italy is perhaps more dependent on imported energy than any other country in Western Europe.

Draft proposals disclosed by Sig. Franco Nicolazzi, Industry Minister in Sig. Giulio Andreotti's caretaker Government, have been criticised on all sides as insufficient.

They are considered extremely unlikely to enable Italy to meet the target of a 5 per cent cut in oil consumption for this year, as planned by member-nations of the International Energy Agency.

In practical terms, this goal means that Italy must reduce its internal demand for oil from around 104m tonnes to 99m. But preliminary indications are that consumption is rising, not falling, by some 5 per cent a year.

Petrol demand rose 10 per cent over the first two months of this year, with indications that the increase has grown subsequently.

Sporadic reports have been received of informal energy rationing to certain industrial enterprises in the north, but nothing so far along the lines of the Texaco measures.

Largely because of the impending elections here, the draft proposals mainly involve curtailments to be brought about by changes in school and shop hours.

Drastic action on prices, which many would like to see brought in—including a steep rise in the price of petrol and domestic fuel oil—is felt to be too unpopular to be introduced until after the vote.

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Paul Betts, in Rome, on the opening of the Italian general election campaign

Parties already looking for compromise

ALTHOUGH the campaign for the Italian general election on June 3 and 4 only officially opens at the end of this week, the country's political parties are already concentrating their energies on seeking an eventual compromise formula for the next government.

This may seem premature, but it is one of those peculiarities of Italy's complex and ingenious electoral system that whatever the outcome of the election, the next government is bound to be either a coalition or a minority administration enjoying the external support of other parties in parliament.

The main issue this time round, is whether the Communist Party, Italy's second largest political force after the Christian Democrats, should be directly represented in the next government. During the last few days, Sig. Enrico Berlinguer, the Communist Secretary General, has renewed his party's demands for Communist Cabinet ministers asserting that Italy was ungovernable without the direct participation of the Communists in government. These demands were at the basis of the collapse of the last minority Christian Democrat government of Sig. Giulio Andreotti.

The Christian Democrats have flatly rejected any eventual alliance that would let the Communists into the Cabinet. After a troubled national council meeting, the ruling party has indicated that they intend pursuing their current policy of collaboration with the Communists short of their direct entry in government. At the same time, the ruling party sent unambiguous signals to the smaller Socialist, Social Democrat and Republican parties that it was clearly willing to consider a wide range of other governing formulae which would keep the Communists out of the Cabinet. This could even include a government led by a non-Christian Democrat prime minister.

According to the latest opinion polls, the Christian Democrats are expected to gain some electoral support while the Communists are likely to lose some votes. But the effective balance of forces is unlikely to change radically. Even in the improbable event of it doing so, it would still be necessary to find a governing coalition of sorts.

The need always to seek some form of compromise between the main parties is the direct result of Italy's parliamentary election system based on proportional representation, which in turn encourages the proliferation of political parties.

During the past few days, this proportional representation system has been at the centre of a fierce controversy between the country's two main parties. Sig Flaminio Piccoli, the Christian Democrat chairman, has suggested a reform of the system to enable Italy to have a more stable and lasting form of government in the future. In turn, Sig Berlinguer has accused the Christian Democrat leader of attempting to modify current electoral legislation for its own benefit. Sig Berlinguer said in an editorial in the Communist newspaper, L'Unita, that the real issue was not existing legislation but the participation of his party in the government.

Broadly speaking, the mechanism works as follows. In the election for the Chamber of Deputies (or lower house), some 40.8m Italians over 18 years of age will vote to elect 630 deputies in 32 constituencies by a system of combining proportional and preference voting. On the ballot sheet, the voter can select the party he wishes, and express a preference for up to four candidates of the party he has chosen.

To this end, the various parties have to submit lists of candidates for the various constituencies by May 2. Indeed, there is competition to be first, as this secures the top left-hand corner of the ballot paper, which is thought to be an asset.

On past form the Communist Party has always managed this. The second best position is thought to be the bottom right hand corner of the ballot paper, and the Christian Democrats have traditionally achieved this by submitting their lists at the very last moment.

Candidates can stand for as many as three constituencies for the Chamber of Deputies and one for the Senate if they are over 40 (Senators must be over 40 years of age, while deputies must be over 25). However, after the election, a candidate if elected in more than one constituency may only select one of them. This clearly leads to all sorts of internal party manoeuvres.

As regards preference voting, most voters do not in fact use, or partly use, their option to select candidates of their choice. Less than 20 per cent of the possible preference votes are usually cast in northern Italy and about 45 per cent in the south.

The largest proportion of preference votes is cast for the Christian Democrats, partly because of the wide spectrum of political opinions represented by the party and partly because the Christian Democrats have been the mainstay of all governments since the war.

In consequence, if the majority of the preference votes goes to the Right-wing members of the party, the Government will tend to lean towards the Right of centre, while if the majority goes to the Left of the party there clearly could be a greater opening to the other Left-wing parties.

In the forthcoming election, there is likely to be intense campaigning within the party itself for preference votes in view of the current divisions between the various factions. Indeed, there are signs of increasing pressure from Right of centre factions on Sig. Benigno Zaccagnini, the reformist secretary-general of the party, to resist any eventual alliance with the Communists after the June elections.

The election system for the Senate is different. There are no party lists nor preference votes. Each party puts up one candidate for each constituency and the 315 seats are distributed on the basis of a highly complicated proportional representation system. At the same time there are a number of life senators whose seats are automatically renewed.

As there is a difference in voting age for the Senate, where the age limit is 25 instead of 18, the composition of the upper house tends to be more conservative than the Chamber of Deputies since younger voters tend to support the Left. And as the Senate, while effectively carrying less political weight than the Chamber of Deputies, can nonetheless block or delay crucial legislation, it represents a major component in the eventual creation of a governing coalition.

Against this peculiar Italian background, all the parties are now already campaigning to strengthen their respective electoral positions to enhance their eventual negotiating power when it comes to formulating a new governing alliance. The Communists, characteristically, are campaigning with the slogan "reduce the Christian Democrats' votes," while the ruling party's slogan is "more votes for the Christian Democrats"

In any case, the real hard bargaining will start after the general election when the tortuous attempts to form a new government, which on past form can take as long as two months, will begin. In the process, the elections for the European Parliament on June 10, barely a week after the Italian general elections, are bound to fade in the background, despite all the rhetoric about Europe which the Italian political parties are currently throwing around.

Communist leader Sig. Enrico Berlinguer (left) and Christian Democrat Giulio Andreotti.

Last minute debate on candidates

By Our Rome Staff

THE ITALIAN political parties have completed their nominations of candidates for the general election on June 3 and 4 and for the European elections a week later. The deadline expired last night.

Last to make their list public were the Christian Democrats, who only completed the exercise yesterday after several days of almost uninterrupted bargaining between the party's factions.

The list shows little change from that with which they fought the last general election in 1976.

The most notable absentee, Sig. Umberto Agnelli, deputy chairman and chief executive of Fiat, who was a Senator in the last Parliament.

With the exception of five top party figures—including Sig. Benigno Zaccagnini, party secretary, and Sig. Emilio Colombo, president of the outgoing European Parliament and former Prime Minister—the Christian Democrats have banned the dual mandate. Those elected to both national and European parliaments will have to choose within a fortnight in which assembly they wish to serve.

A more substantial turnover is evident in the Communist (PCI) lists, which also includes a considerably higher proportion of women. The PCI has also left more room to left-wing independents, who include Sig. Altiero Spinelli, former EEC Commissioner, and the prominent economist Sig. Luigi Spaventa.

The challenge the Communists face from other left-wing parties has been underlined by the defection of one of their outgoing deputies to the tiny, but buoyant, Radical Party.

The Radicals have also attracted the candidacy of Sig. Leonardo Sciascia, the internationally known writer.

Suarez considers restoring limited Basque self-rule

BY DAVID GARDNER IN MADRID

THE SPANISH Government appears poised to launch a new initiative in the Basque country, where two Civil Guards were shot dead yesterday, bringing to 31 the number of killings this year by ETA separatist guerrillas.

Senior Basque members of the governing Union de Centro Democratico (UCD) are studying the viability of restoring the 1936 Republican statute of autonomy, under which the Basques enjoyed substantial home rule until the entry of General Franco's troops into Bilbao in 1937.

Sr Marcelino Oreja, the Foreign Minister who was elected for neighbouring Guipuzcoa in the March general election, reportedly has a team of experts working on the legal and political aspect of the move.

The first solid indication that the move was being taken seriously came two weeks ago from a leading Basque financier, who said that Sr Antonio Fontan, the Minister for Territorial Administration, was studying the 1936 statute as a bridge towards the so-called "Statute of Guernica," drawn up by Basque parliamentarians last year.

Sr Fontan disclaims all knowledge of the move. But it is clear that, while the Government is not yet prepared to commit itself officially to the project, it is first working through the party in order to test the plan's political viability, as it did on the issue of the western Sahara, for example.

The main-stream Basque party, the Partido Nacionalista Vasco (PNV), is broadly in favour of the plan, especially as it would entail immediate powers leading to the setting up of an autonomous police force and the creation of an independent Basque Treasury.

The PNV's position as the traditional standard-bearer of Basque national rights would be reinforced, particularly with the prospect of Sr Jesus Maria de Leizaola, president of the Basque government-in-exile, returning to head a provisional administration.

Reinforcement of the PNV's position is regarded as crucial by members of the Government and Basque businessmen, in the face of the seemingly unstoppable rise of the Herri Batasuna (Popular Unity) Coalition backed by ETA. This party came second in last month's municipal elections.

Since then, the PNV has gathered around itself business and financial interests which had previously backed either the UCD or the neo-Francoist parties grouped around Sr Luis Olarra, the Basque industrialist.

The Socialists have yet to take an official position, but suspect that the project is designed to postpone approval of the more far-reaching Statute of Guernica.

Herri Batasuna, meanwhile, rejects any solution which leaves out the disputed Basque province of Navarre. The 1936 statute covered only Vizcaya, Guipuzcoa and Alava.

Though the project may never get off the ground, this is the first time that Prime Minister Adolfo Suarez has approached reform starting from Republican, rather than Francoist, laws. It also indicates that he has finally come to regard the Basque question as the most serious facing his government.

Belgrade may dampen economy

BY ALEXANDER LEBL IN BELGRADE

AS RECONSTRUCTION work gets under way in the earthquake affected zone of Montenegro in southern Yugoslavia, there are isgns that the federal Government may be obliged to tighten control of the economy, both to help finance Montenegro's rehabilitation and to dampen down a badly overheated economy.

The Government has just put up the price of high octane petrol by 15 per cent and added 11 per cent to cheaper grades. It has also introduced lower speed limits on roads and regulations obliging motorists not to use their cars for six days every month. This is part of an effort to reduce petrol consumption and follows closely measures taken earlier in the month tightening higher purchase terms and increasing deposits on cars

The latest petrol price increases follow a 25 per cent rise in November. Tourists, however, will be allowed a 20 per cent discount.

With official tourist receipts in excess of $1bn last year, the authorities are doing their best to pursuade holidaymakers not to change their plans about visiting Yugoslavia this year.

They emphasise that while tourism will obviously suffer in Montenegro, several of the newer resorts, like the island of Sveti Stepan, have not been badly affected and damage to Dubrovnik has been fairly light.

Tourism and other invisable receipts will be particularly important this year as the visible trade deficit appears to be rising, with a high rate of industrial production sucking in imports and feeding strong inflationary pressures. Retail price inflation over the first quarter was running at an annual rate of 26 per cent.

Over the first quarter, exports stagnated at $1.4bn, while imports rose to $3bn, a trend which, if unchecked, could result in an annual deficit of $6.4bn. This compares with the 1978 deficit of $4.3bn, all but $500m of which was covered by invisible earnings.

President Tito and other political leaders have voiced increasing concern that high inflation, unemployment of around 750,000, and signs of declining competitivity could put heavy strains on Yugoslavia's self-management system and its ability to retain a strongly independent foreign policy.

Failing greater restraint by the self-managing enterprises, the Federal Government could well decide to impose tighter controls on bank lending, prices and imports, as well as continuing the downward float of the dinar.

Schmidt on visit to Bulgaria

By Leslie Colitt in Berlin

CHANCELLOR Helmut Schmidt, of West Germany, has become the first major Western leader to visit Bulgaria, regarded as Moscow's closest ally, although it fought on the German side in both world wars.

Bulgaria was one of the first East European countries to show an interest in improving relations with Bonn, even before the Soviet Union gave the signal to proceed. Its motives were mainly economic, but it was not until late in 1973 that Sofia was able to establish diplomatic relations with West Germany.

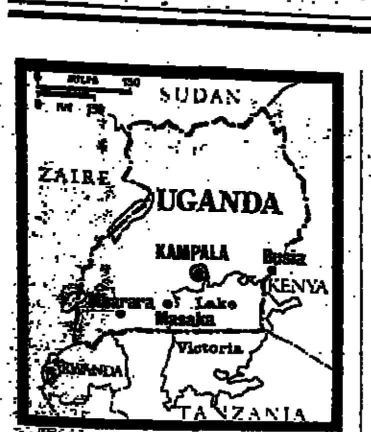
Economic issues top the agenda in talks which Chancellor Schmidt is having with President Todor Zhivkov. West Germany is Bulgaria's leading Western trade partner, but it had a deficit last year of DM393m (£100m), in its DM1.033bn trade with West Germany. This is only partly made up by the more than 100,000 West Germans who spend their holidays each year at Bulgarian Black Sea resorts.

A reduction of the trade deficit is an important Bulgarian aim, as the country's ratio of hard currency debts to its annual exports to the West has been put at 5.6 to 1—one of the worst in Comecon.

Bulgaria, as East Europe's largest producer of fork-lift trucks and with an expanding electronics industry, wants to increase the number of cooperation agreements with West German companies. It would also like to take part in joint projects with the West Germans in third countries.

By his visit, Chancellor Schmidt is expressing his gratitude to the Bulgarians for their speedy action last year in extraditing suspected West German terrorists who were arrested at the Black Sea. This contrasted with the refusal of neighbouring Yugoslavia to return four West Germans wanted for terrorism.

Herr Schmidt returns to West Germany tomorrow.



What Idi Amin cost Uganda

By John Worrall, recently in Kampala

TALKING to key ministers nervously establishing themselves in Kampala one realises how great are the difficulties that Idi Amin has left behind. Many government offices were looted of furniture and files in the frenzy of liberation and some ministers are working in bedrooms at the Nile Mansions Hotel, where Amin kept his VIP visitors and mistresses.

Uganda has become a country without a bureaucracy. Thousands of files were looted and vital records and statistics are missing. A house-to-house search is going on to recover some of them. There is intense competition to find adequate staff until the 50,000 refugees in exile come back.

Among the better-housed ministries is the Ministry of Finance, in the former East African community building. But even there visitors have to search for chairs.

State of collapse

Mr. Sam Sebagereka, the bright young Oxford-educated Finance and Planning Minister, told me: "When we took over it all seemed so appalling. Our foreign exchange reserves stood at about $2m. Inflation was running at an annual rate of between 150 to 200 per cent. The key agro-industries, coffee, tea, cotton, sugar, were in a state of collapse.

"There was hardly any fuel. Shops, warehouses were empty of commodities. The copper mines had closed. Roads were broken, bridges knocked down, schools, institutions, Government buildings had been destroyed. Skilled manpower was lacking. We cannot even guess the extent of the ruin and what we need to put it right. The bill will be astronomical. I should think we will need not less than $2bn in aid."

The flourishing black market is a proof of the problems facing the currency. Dealers are offering 800 Uganda shillings to 100 Kenya shillings. One of the first tasks is to cut down the money supply, running at about 8bn shillings. "Amin printed money whenever he felt like it," I was told.

Phones and telexes are down. Communications with the outside world are difficult. "I cannot even phone the World Bank," Mr. Sebagereka said. But he is optimistic. "All things being equal we think we can take off in about a year."

The immediate essentials are: relief to save human lives—fuel, food and medicines; a general rehabilitation of shops, stores, the transport system, human settlements and schools; getting the factories back to work, producing consumer goods to sustain life, and getting the agro-industries working; repair of roads and bridges, getting railways and lake services running; and reviving heavier industries like the copper mines and cement works.

Aid and offers of aid are pouring in. Britain was first off the mark with a $2m advance in emergency aid. Britain is also sending technicians to try to get Government transport back on the road, hospital machinery going, and the telecommunications system working. The Government mechanical workshops were looted and I was told there is not a spanner left.

Tankers moving

More substantial British aid will follow as the Uganda Government decides on longer-term plans for development. Kenya has given $2.6m for immediate emergency aid. The EEC is making $100m available for rehabilitation, and providing $400,000 in food and medical aid.

Fuel tankers, lorries and private cars, some loaded with emergency relief, were moving from Kenya to Kampala after yesterday's border opening.

One vital task is to get the coffee marketing system working again. There is an estimated 300,000 tons in the country and it needs to be exported as soon as possible.

Thousands of Ugandans uprooted by the fighting have to be resettled. Whole villages were destroyed in the fighting and two western towns, Mbarara and Masaka were badly damaged.

A big part of the new Government's job will be the rehabilitation of the people's minds. "Some of our people were turned into animals by Amin," one Minister confessed.

Vietnam builds up troops as China talks stall

BY K. K. SHARMA IN HANOI

VIETNAM is reinforcing its troops along the border with China in a bid to counter what it considers a renewed threat of attack following the stalemate reached in talks between the two countries.

A number of truckloads of soldiers were moving to the frontier when I visited Lang Son in north-west Vietnam, the strategically-important provincial capital captured by Chinese troops during the fighting in February and March. Visitors are not allowed to proceed to the actual border for security reasons but frequent shelling could be heard from that direction.

Lang Son, which is severely battered, is just a couple of kilometres from the "Friendship Gate" bridge: until the recent fighting that was the post for crossing the border. The bridge has now been put out of action and is in the hands of the Chinese, the Vietnamese say.

Apart from the shelling and the hundreds of troops being taken to the border, evidence of the considerable tension on the border was also available in the form of two radar stations put up on high hilltops by China. The radar overlooks Vietnam, and Hanoi alleges that their sites are in one of ten strategic points still held by the Chinese even though the Chinese claim to have withdrawn to their side of the border.

There is no indication when the talks will be resumed. Mr. Han Nianlong (Han Nan Liang), the Chinese vice-Foreign Minister is still here but this is no assurance that talks will be held soon. On the contrary, it is now clear that there is no meeting ground and the talks cannot be resumed unless there are behind the scene contacts or third-party intervention. There is scant sign of either, though Dr. Kurt Waldheim, the UN Secretary-General has just visited both countries.

In the last round five days ago China made it clear that it feels that the presence of Vietnamese troops in Cambodia and Laos is the central discussion point between the two countries, what it wants is a complete withdrawal of Vietnamese troops especially from Cambodia where China's protege, Pol Pot, and his beleaguered troops are under heavy pressure following a fresh offensive by Vietnam in a bid to capture complete control of Cambodia before the rains set in.

China has rejected Vietnam's proposal for a demilitarised zone along their border and has said troops should remain in their present positions, thereby putting the border issue into second position, to be tackled only after the Cambodia question is settled. Vietnam has rejected the Chinese proposals and Peking is making no effort to relieve the tension on the border.

For its part Peking has raised fresh charges by claiming that more than 10,000 people have fled Vietnam across the border into China in the past week. Peking says most of these are Chinese nationals but there are also some Vietnamese amongst them.

Prince Norodom Sihanouk, former Cambodian head of state who the Chinese have been championing as a prospective leader for a Kampuchea freed from Vietnamese control, appears to have been warned against speaking to the foreign Press, John Hoffman writes from Peking. His Chinese mentors are thought to have been embarrassed by recent comments in which the Prince said that Peking was planning to back a right-wing faction in Cambodia to harass the Vietnamese. Journalists received a circular from the Prince yesterday saying he would no longer be available for interviews.

'Sadat is a liar,' Saudis say

BY ROGER MATTHEWS IN CAIRO

AN uncharacteristically vicious Saudi response to President Anwar Sadat's latest attack on the kingdom has deepened concern among officials here.

They fear it may not only escalate Egypt's conflict with the rest of the Arab world over the peace treaty with Israel, but also threaten relations with non-Arab Islamic countries.

The state-controlled Riyadh radio declared yesterday: "Sadat is a liar." It added that "he even lies about the dead," with reference to Mr. Sadat's allegation that the late King Feisal had advised him before the 1973 Middle East war not to trust President Hafez al-Assad of Syria.

At the same time, the Palestine Liberation Organisation (PLO) has pledged to undermine Mr. Sadat's negotiations with Israel over autonomy for the West Bank and the Gaza Strip. Saudi Arabia and the PLO were reacting to Mr. Sadat's May Day speech, in which he accused Saudi Arabia of "paying other Arab countries to break off diplomatic relations with Egypt." He charged the Saudi leaders with abandoning the "special relationship" with Egypt, which, he said, was charted by the late King Feisal.

A determined attempt is now being made to have Egypt ejected from the 43-nation Islamic Conference when it meets at Foreign Minister-level in Morocco next week.

Mr. Hosni Mubarak, the Vice-President, is now touring Asia to win support for the peace treaty from members of the Islamic Conference, while Mr. Mamdouh Salem, the former Prime Minister, has been attempting to do the same in Africa.

Mr. Sadat appears, however, to have thrown caution to the winds in his determination to press ahead with the peace treaty. He promised the Israelis that for every step they took towards normalising relations he would take two.

He said Saudi leadership was not living up to the late King Feisal's legacy, and taunted them by accusing them of having fallen under the influence of Libya, the Soviet Union and Iraq.

Mr. Sadat went so far as to say he did not care if Saudi Arabia failed to honour its commitment to pay $525m for 50 F-5E jet fighters.

Egyptian nationalism is certain to be a prominent theme in the run-up to Egypt's general elections next month, when Mr. Sadat's National Democratic Party is sure of a massive victory. The left-wing Unionist Progressive Party has received another warning about its activities.

Mr. Tine Hao, China's Ambassador to Kuwait, was reported yesterday to have said that Peking wanted diplomatic relations with Saudi Arabia.

The kingdom has close relations with Taiwan, and Saudi officials have hitherto made it clear privately that they have no intention of exchanging ambassadors with the People's Republic of China.

Pretoria wary on labour changes

BY QUENTIN PEEL IN CAPE TOWN

MIGRANT WORKERS—almost one in three of South Africa's black labour force—are to be excluded from the new deal planned for industrial relations in the country, Mr. S. P. Botha, the Minister of Labour, announced yesterday.

Although the Government accepts the general principles of a unitary industrial relations framework for all races, as proposed by the Wiehahn Commission on Labour Laws, Mr. Botha has set clear limits on the extent to which it is prepared to move to implement it immediately.

He announced that legislation would be introduced to bring black trades unions within the system of registration, and to scrap the principle of statutory racial job reservation—but no action to scrap separate facilities in shops and factories, and no action to open apprenticeships to black workers. Mr. Botha also endorsed the Commission recommendation not to outlaw the closed shop, which is used by white trade unions as the most widespread form of job discrimination in industry.

In spite of the cautious approach of the Commission and even more by the Government, to reform the existing discriminatory system, Mr. Botha said the Government had "launched a new dispensation in the labour history of South Africa."

The retention of the closed shop, the exclusion of migrant workers, as well as the mining industry, agriculture and domestic service from the proposed changes, are major limitations on the effect of the new system, which is planned to end the legal enforcement of racial discrimination.

Migrant workers total some 2m out of nearly 7m black workers in the South African economy. In Soweto, the biggest black conurbation, they make up two-thirds of the male labour force.

Mr. Botha said he accepted that the principle of statutory job reservation be abandoned, and the "protection of workers in their employment" should be conducted by new and internationally accepted methods.

He also agreed to set up an industrial court, to handle industrial litigation, a national manpower commission to advise and recommend on implementation of the new system, and a change in the name of the Department of Labour to Department of Manpower Development. Legislation to implement this would be introduced within two weeks, after consultation with the trade unions.

Ohira pledge to Carter

BY DAVID BUCHAN IN WASHINGTON

Japanese Prime Minister Masayoshi Ohira . . . doing his best to shrink Tokyo's trade surplus with the U.S.

PRESIDENT CARTER yesterday welcomed Mr. Masayoshi Ohira on his first visit to the U.S. since he became Japan's Prime Minister last year. Mr. Carter said Japan was "the cornerstone of American policy in Asia."

At a White House ceremony, Mr. Ohira said: "I am determined to do my utmost in resolving economic problems." But the leaders, in their two sessions of talks yesterday, set aside the issues of Japan's large trade surplus with the U.S. and of its import barriers, considered here the one rough spot in an otherwise smooth political relationship.

The Japanese Prime Minister, however, will undoubtedly try to convince key members of the House and Senate Trade and Foreign Relations Committees, who he meets today that his Government is doing its best to shrink its trade surplus with the U.S. This is still running at $8bn a year, although it is down from last year's $12bn, chiefly because of the recent appreciation of the Yen against the dollar.

Mr. Ohira, who is also to address Washington's Press Club today, has so far resisted U.S. demands that Japan should open more state contracts to bidding by U.S. and other foreign companies, if he wants similar access to U.S. government contracts.

High on the U.S.-Japanese agenda will be a preview of the seven-nation economic summit meeting next month in Tokyo. In this context, Japan has welcomed President Carter's decision to phase out domestic oil price controls as fulfilment of the U.S. President's pledge to last year's Bonn summit to encourage U.S. oil production and thus reduce pressure on world oil supply and prices, which seriously affects major oil-importing countries like Japan.

Mr. Carter and Mr. Ohira seem certain to share concern about the activities of Vietnam and its Soviet allies in Indo-China. They are watching closely to see whether increasing Soviet naval operations in the area result in a permanent Soviet naval base at Cam Ranh Bay.

The U.S. has noted with approval Japan's increased aid this year to Thailand, and its plans to increase aid to the other four pro-Western members of the Association of South-East Asian Nations (ASEAN).

Japan said last month it would take some 500 Vietnamese refugees—considered by U.S. officials something of a major policy change by Japan, which has sought to shelter its society from immigrants.

Neither Washington nor Tokyo yet sees an expanded regional security role for Japan as desirable. But the U.S. has been encouraging Japan to do more in its own defence.

Yale protest over South Africa

BY STEWART FLEMING IN NEW YORK

YALE UNIVERSITY is selling a $1.6m shareholding in J. P. Morgan, the leading U.S. commercial bank, because of the bank's policy on lending to South Africa.

The decision follows an examination by the university's advisory committee on investor responsibility, of the policies towards South Africa followed by all the corporations in which the university has shareholdings.

The Yale decision brought a sharp response from the bank yesterday. Mr. Walter H. Page, its chairman, accused Yale of trivialising a matter of high concern, and of sending a discouraging message to all companies which are trying to conduct their business in the way they judge most constructive socially and economically.

Mr. Page said the bank's policy on loans to South Africa was to make loans likely to contribute to improvement in the country's social policies and to the condition of blacks and other non-whites living there.

Yale, takes the view that loans should not go to the South African Government in general, irrespective of whether a particular loan can be said to be of direct benefit to the black population.

American banks have been divided on the lending policies to South Africa although there is general condemnation of apartheid. Last year Citicorp, the largest New York bank, said that it would not make any further loans to the South African Government.

Over the past two years there has been increasing pressure on U.S. corporations to justify their activities in South Africa, partly because of the support which has been attracted by a Philadelphia priest, the Rev. Leon Sullivan, in a campaign to persuade companies with interests in South Africa to support a code of conduct on race and jobs there.

Swiss investor causes concern

BY STEWART FLEMING IN NEW YORK

A DECISION by Mr. Bruce Rappaport, the Geneva-based shipowner, to take a 9.8 per cent stake in one of Long Island's larger commercial banks, Litco, is causing concern to some of the bank's shareholders.

The development came to light on Tuesday after Mr. Rappaport had filed a report of his purchase with the Securities and Exchange Commission.

One substantial investor was asking yesterday what Mr. Rappaport's plans were for further increasing his stake. Litco has long been viewed as a prospective U.S. partner for a foreign bank which wishes to expand in the U.S.

In 1971 Barclays of London made an offer to acquire Litco but the move was blocked by the New York banking authorities. Barclays subsequently expanded elsewhere.

Litco already has two substantial foreign shareholders as a result of a private placing of ordinary shares late last year. At that time Litco sold new share amounting to about 5 per cent of its equity to COFI, a Luxembourg-based investment company managed by Dr. Giorgio Rossi, a aninternational banker.

Slightly under 5 per cent of the equity in the form of new shares was issued to Findim, a Swiss-based investment company. Findim said yesterday that it had not been aware in advance of the move by Mr. Rappaport.

In filing with the Securities Exchange Commission, Mr. Rappaport said that he was taking the stake for investment purposes because of the prospects of the company. He has various interests, mainly in shipping, through his Inter Maritime management company in Geneva. He also controls the Inter Maritime Bank of Geneva.

Mr. Rappaport's business attracted public attention in 1976 and 1977 because of extensive shipping contracts which he negotiated with Pertamina, Indonesia's state-owned oil company.

Argentina confiscates newspaper

BY ROBERT LINDLEY IN BUENOS AIRES

THE so-called National Committee for the Recovery of Patrimony has ruled that La Opinion, the Argentinian newspaper founded by Sr Jacobo Timerman and edited under Government supervision since his arrest on suspicion of having been involved in the "Graiver case," is now the property of the state.

Also taken away from Sr Timerman and handed over to the state, on the grounds that the journalist cannot account for the manner in which he acquired them, are his 45 per cent share in the printing plant which published La Opinion, his holding in another printing shop and one of his two homes. He has been allowed to keep his 1976 Peugeot car and another small printing shop.

Sr Timerman was transferred from federal police headquarters to house arrest in the flat he is being allowed to keep, just over a year ago. Although the ruling of the National Committee for the Recovery of Patrimony can be appealed against it is considered to be definitive.

The committee was set up by the Videla regime to deal with those accused in the Graiver case. Mr. David Graiver, a financier, who was supposedly killed in an aeroplane crash in Mexico, was the head of a friends and family concern charged with banking money belonging to the Montonero guerrillas. This money was said to have been amassed by robbery, extortion and kidnapping.

Sr Timerman, although originally charged with subversive, as well as economic delinquency, was absolved but ordered to stay under arrest.

Sr. Timerman, who is 56, lives alone under house arrest. His three sons and his wife are in Israel.

Hugh O'Shaughnessy adds: Sr. Jose Alfredo Martinez de Hoz, the Argentinian Economy Minister, yesterday said that Sr. Timerman would soon be set free. He was speaking in London at the Royal Institute of International Affairs.

His meeting was picketed by demonstrators from Amnesty International, protesting against the violation of human rights in Argentina. Today Sr. Martinez de Hoz speaks at a seminar on Argentina arranged by the Hispanic Council (Canning House).

Venezuelan lion looks more like a lamb

By Kim Fuad in Caracas

PRESIDENT Luis Herrera Campins of Venezuela came into office in March like a lion, roaring in his inaugural address that the outgoing Administration had mortgaged the country. Since then, however, he has become more like a lamb, thoroughly disconcerting a country accustomed to the breakneck pace of Sr. Carlos Andres Perez, his predecessor.

In a deliberate departure from the frenzied governing style of Sr. Perez, who issued decrees at the rate of two a day during his first 100 days in office, Sr. Herrera has been moving with feet of lead in implementing promised new economic and social policies to deal with what he described then as the "serious economic troubles" of the country.

Sr. Herrera, 53, points out, however, that voters chose him because he offered to bring a more sedate style to the Presidency. He claims that Sr. Perez's Social Democratic regime has left the nation's economy in such disarray that careful assessment is required before taking action.

Free spending

The new Christian Democrat Government's complaints about the Perez Administration have focused on its free-spending ways. Despite unparalleled oil revenues which gave Sr. Perez around $10,000m annually during his five-year term, public debt rose to $11,700m, two-thirds of which is foreign.

The Herrera Government claims that there is also a floating debt of an additional $4,680m, with spending on imports autpacing limited oil exports. Venezuela's balance of payments went into deficit by $3,000m last year.

"We are going to have to continue running into debt abroad to put the executive's debt in order," says Sr. Luis Ugueto, the Finance Minister. "There is no doubt that in the first year we will not be able to level off public spending and avoid going out into international markets to seek funds."

Oil revenue

Venezuela has increased the price of its oil by 18 per cent and expects to increase its oil revenue of around $5,000m by over $1,600m. Nonetheless, Government economic advisers have recommended keeping strict controls of fiscal and monetary policies over the next two years.

The Government is now drafting a "new global economic policy." According to Sr. Manuel Quijada, the Development Minister. This new policy is awaited avidly by Venezuelan industrialists, who claim that controls on prices have brought a number of manufacturing industries to the brink of closure.

Sr. Luis Enrique Oberto, the former finance minister, a key drafter of the ruling "Copei" party's economic programme, says that if prices of goods and services produced in Venezuela are allowed to follow the market, there will be a major increase in the cost of living.

Direct subsidies

What must be done, he says, is to ensure that the poor, who make up about a quarter of Venezuela's 13m population, do not suffer. This could mean direct subsidies, such as food coupons. The Perez Administration reported that the cost of living grew by 7.8 per cent last year, but private estimates are more than double that rate.

The new Administration's caution in drafting economic policies which could hurt the poor reflects Sr. Herrera's campaign promise that his commitment is to the poor. The portly, white-haired chief of state has driven this home by holding televised public audiences. Each week at Miraflores Palace.

Rejecting charges by Opposition parties that Sr. Herrera is trying to make political gains through populism, spokesmen for his party say that this is unfair and precipitate. "You can't call a President a populist just because he gives the poor a chance to be heard," they say.

Simon Henderson describes the dangers facing the Islamic Republic

Terror overshadows Iran's way ahead

THE ASSASSINATION of Ayatollah Morteza Motahari, one of Tehran's top religious figures—and the threat of more political murders—once again casts doubts on the political stability of the new Islamic Republic of Iran.

Yesterday, a man claiming to represent the Forghan terrorist organisation which shot the Ayatollah, telephoned Western journalists to claim responsibility.

The killing was the first step in the consolidation of the group's ideals, he said. Four senior government officials would be the next target.

He named them as Dr. Ibrahim Yazdi, Foreign Minister, Mr. Sadeq Ghotbzadeh, head of radio and television; Mr. Mehdi Hagavi, Prosecutor-General, and Mr. Abbas Amir Entezam, deputy Prime Minister.

Along with recent disturbances in several border areas, the Ayatollah's murder—the second political killing in ten days—can no longer be written off as just another blemish on the anti-Shah revolution.

Instead, it questions the ability to survive; if not of Ayatollah Khomeini, then certainly of the Government of the Prime Minister, Dr. Medhi Bazargan.

Iran still simmers with political uncertainty, and many unresolved tensions remain.

Dr. Bazargan seeks an Islamic republic based on Western democratic values but finds that Ayatollah Khomeini and the group around him in the holy city of Qom want a society that is pious, strict and unbending.

How far Dr. Bazargan accepts his limited role is uncertain. His Cabinet, it appears, will suffer the same fate as the Shah's many Cabinets—forced resignation and consignment to the political scrap-heap.

The political chaos in Tehran is accompanied by the possibility of civil war. The political divisions are already there: the Left, against the revolution of Islam; the minority Sunni sect against the majority Shia; the remnants of the Shah's supporters; the provincial ethnic minorities—Kurds, Turkomans, Baluchis, Arabs—all pushing for autonomy.

The Kurds and the Turkomans have fought each other, ceasefires have been set up, but distrust remains.

The call to an Islamic Revolution is still the best unifying factor. Personal attacks against Ayatollah Khomeini have not so grown that he is really in political danger. His standing is assisted by the disunity of the opposition.

What is likely is that various groups, particularly the Kurds, will start to look after their own affairs more, especially if a breakdown in government means that distribution of central funds ceases.

The armed forces, weakened by the revolution and desertions, are in no position to intervene. If ordered to do so, they would face a conflict of loyalties, greater even than during the last months of the Shah's regime.

Individual units might follow orders, but their ability to sustain a long operation would be limited.

Apart from the army and guerrilla groups, the other main armed units are the local "Komitehs" which support Ayatollah Khomeini.

Their equipment ranges from pistols and rifles up to machine guns and anti-aircraft guns. Military arsenals are effectively open to them. They could act quickly to crush any threat to the revolution if the orders came, before social divisions widened too far.

The Government also faces an economic crisis of growing inflation and unemployment. Oil production has resumed, but the economy has still to be restimulated.

Trade restrictions have led to shortages and the development programme remains static.

Being a good Moslem does not seem to have blunted consumer values. The religious Establishment fears the Left even more than any foreign — especially U.S.—influence.

To stop the growth of a force of the Left, Ayatollah Khomeini can make a scapegoat of the Government without weaking his own position.

Political leaders around the Ayatollah—Dr. Yazdi, Mr. Ghotbzadeh, and the economist, Mr. Ahmad Bani Sadr—are radical and fervently Islamic.

They do not have the scruples over the execution of former officials (now at least 160) which Dr. Bazargan is known to have. They seek a more complete change in the system, more purges, more economic upheaval, and more social control.

The vanguard of the Left is still the Fedeyeen-e-Khalq guerrilla group. Their headquarters in central Tehran has sand-bags on the roof, and outside intense young people huddle in discussion groups.

For the moment, they seem content to distribute pamphlets, but not to speak out too loudly. The "objective conditions" for a seizure of power are not right.

The other main guerrilla group, the Islamic Mujahedin, are similarly cautious of commenting on immediate political events.

They are thought to be moving leftwards and hint at distaste for politicians "wheeling and dealing" rather than building an egalitarian Islamic system.

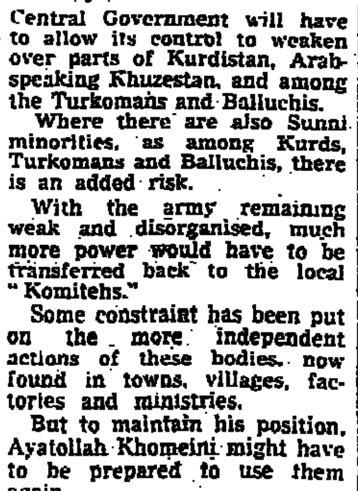
Like the Fedeyeen, they occupy well-defended buildings and would not be prepared as far as can be foreseen, to give up their guns.

Ayatollah Motahari's killers are, apparently, a Right-wing religious group with its own ideas about an Islamic revolution.

When they shot Gen. Mohammed Vali Qarani, the former Chief of Staff, they claimed to be against his role in putting down trouble in Kurdistan.

By shooting an Ayatollah, they could be trying to erode the traditional secular influence which Moslim Shi'ite leaders have had in the country. Perhaps they seek to replace it with a more popular belief, open to individual interpretation.

Continually present are the dangers that feelings of provincial autonomy will become a yet more serious issue, and that different Ayatollahs with local regional loyalties will squabble more openly.



Ayatollah Motahari — Khomeini's murdered aide.

It is conceivable that the Central Government will have to allow its control to weaken over parts of Kurdistan, Arab-speaking Khuzestan, and among the Turkomans and Baluchis.

Where there are also Sunni minorities, as among Kurds, Turkomans and Baluchis, there is an added risk.

With the army remaining weak and disorganised, much more power would have to be transferred back to the local "Komitehs."

Some constraint has been put on the more independent actions of these bodies, now found in towns, villages, factories and ministries.

But to maintain his position, Ayatollah Khomeini might have to be prepared to use them again.

Soviet-Comecon trade to rise significantly this year

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION'S trade with East Germany and Czechoslovakia is expected to increase significantly this year.

According to recently published 1979 trade protocols, Soviet trade with East Germany, the Soviet Union's largest trading partner, is to reach nearly 8bn roubles (£5.76bn) this year against a turnover of 7.69bn roubles in 1978.

Soviet trade with Czechoslovakia is to amount to more than 6.5bn roubles compared with 6.06bn in 1978, and Soviet trade with Romania and Mongolia are also to grow.

The pattern reinforces the current trend towards an increasing share of Soviet trade being taken by Comecon

Of the countries for which trade protocols have been published, only Bulgaria is not expected to increase the value of its Soviet trade in 1979. This was to be more than 6.0bn roubles compared with 6.142bn roubles in 1978.

The Soviet Union's trade with its Comecon partners, which include the eastern European allies, Mongolia, Vietnam, and Cuba, last year amounted to 39.1bn roubles or 56 per cent of the foreign trade total.

The volume of trade with Comecon in 1978 represented a significant expansion in 1977, the Comecon share of foreign trade was 52 per cent and in 1976, 51 per cent.

The Soviets are believed to have made an effort in recent years to channel their purchases of industrial equipment through Comecon to increase economic integration and reduce their hard currency deficit.

East Germany is to export to the USSR in 1979 forging and pressing, agricultural, food processing, and printing equipment as well as railway rolling stock, ships, chemicals and instruments.

Swedish foreign company fears

BY HILARY BARNES IN COPENHAGEN

DENMARK'S Federation of Industries fears that restrictive legislation on foreign-owned companies being prepared by Sweden will lead to total Government control of the operations of foreign companies in Sweden.

It believes this would be in conflict with Sweden's international obligations not to discriminate against foreign companies, and has asked the Danish Ministry of Commerce to convey its point of view to the Swedish Government.

The contemplated legislation was "totally unacceptable" said the Federation, and it could seriously jeopardise the good relations between the Nordic countries.

The proposals call for a licensing system for foreign companies, both those already established and new companies.

It would give the authorities powers to lay down levels of employment, what products a company could produce, how much should be spent on research and development, and the ability to lay down investment programmes for companies.

The proposals reflect a generally negative attitude and deep mistrust of foreign-owned companies, said the federation, adding that stable political and economic conditions and acceptable legal status were essential for companies investing abroad.

It would be deeply unsatisfactory if Danish companies in Sweden were to be subjected to laws which could be used to control their operations in detail and to benefit Swedish competitors, it said.

UK exporters hit by rise of sterling

By Patricia Newby

THE STRENGTH of sterling and the fluctuating exchange rate are adversely affecting UK exports, according to a group of British exporters at a London Chamber of Commerce and Industry seminar yesterday.

The seminar, attended by representatives of 45 industrial enterprises and banks, was on sterling and UK exports.

A number of manufacturers said exports "across the board" including plastics, chemicals and textiles had been hit by the rise in sterling. Textiles were particularly sensitive and the domestic market had also been affected because of competition by cheaper imports.

Professor Brian Griffiths of the banking and finance division of the City University said devaluation might be seductive as a short-term boost to exports. But in the long run inflation would rise because of dearer imports leading to pressure on wages, and rises in the cost of goods using imported materials.

Warning on shipping risks

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

DEVELOPING COUNTRIES should think carefully before setting up national shipping companies because of the high risks and low economic value associated with shipping.

This is argued in a report sponsored by the Liberian Government. It is being distributed to delegates to the United Nations Conference on Trade and Development in Manila.

The report, the work of an independent U.S. consultant, will be used by the Liberians to head off moves by the conference secretariat to gain support for an attack on the growth of flags of convenience or open registries.

The report says that open registries have held down world transport costs by allowing shipowners to use cheaper labour and retain greater operating flexibility.

Open registries had resulted in large employment opportunities for seamen from poor countries, providing not only relatively well-paid work but the chance to learn new skills.

Developing countries seeking to maximise employment should look to manufacturing industry rather than shipping, the report says. It estimates that $1m of investment in bulk shipping produces only 3.4 jobs, against 45 jobs for a similar investment in textile production.

Trading restrictions based on national registry would, furthermore, tend to depress the volume of world trade, resulting in a reduction of income for some developing countries.

The only countries who would benefit from such restrictions are, the report argues, those with a monopoly product in an inelastic market, such as the oil-exporting countries.

* *Economic Impact of Open Registry Shipping, Bureau of Maritime Affairs, Ministry of Finance, Monrovia, Liberia.*

More oil companies in China sea deal

By Kevin Done, Energy Correspondent

CHINA HAS engaged three more Western oil companies to undertake preliminary offshore exploration work in the Yellow Sea and the South China Sea.

The two leading French oil companies, Compagnie Francaise des Petroles (Total) and Elf-Aquitaine, have signed a contract to carry out a geophysical survey in the Yellow sea off eastern China. The agreement was signed in Peking with the China Oil Company.

Standard Oil of California (Chevron) has recently held negotiations in China, which are expected to lead to a contract for extensive seismic work in the South China Sea later this month. So far a draft agreement has been signed but this should be formalised by the end of May.

China is seeking to rapidly build up its production of crude oil as a way of fuelling its ambitious programme of economic expansion. Much of the potential for development lies offshore on its vast Continental Shelf.

British Petroleum was one of the first of the international oil companies to gain a contract for seismic work in the Yellow Sea in a deal signed earlier this year. China followed this by signing a second contract with Atlantic Richfield, one of the U.S. oil companies.

Exxon, the largest oil company in the U.S., is also expected to sign a contract with China in the next two months to allow it to undertake preliminary seismic work in the South China Sea.

CSR plans NZ pulp mill

By James Forth in Sydney

CSR, the large Australian sugar, minerals and building materials group, is investigating the establishment of a world-scale mechanical pulp mill and integrated sawmill in New Zealand, and is undertaking a feasibility study which is expected to be completed late next year.

Providing the study shows a satisfactory return for New Zealand the venture will go ahead between CSR and H. Baigent and Sons, the largest private forestry company in New Zealand. CSR is to have a 70 per cent interest and Baigent 30 per cent in the venture, estimated to cost about A$60m (£32m).

The project is expected to produce more than 100,000 tonnes of mechanical pulp and 70,000 cubic metres of cut timber annually.

MULTIFIBRE AGREEMENT

U.S., Canada threaten to pull out

BY BRIJ KHINDARIA IN GENEVA

THE U.S. and Canada have threatened to pull out of the controversial Multifibres Agreement (MFA), which governs world trade in textiles and clothing, if Third World countries insist on not allowing them to impose import curbs under exceptional circumstances.

The threat came in a closed session of the MFA's Textiles Surveillance Body (TSB), which was discussing a planned bilateral textiles trade accord between Canada and the Philippines.

Under the MFA, as renewed in Geneva in December, 1977, "reasonable departures" from agreement requirements are allowed under exceptional circumstances. This clause was included under severe pressure from the Common Market, which threatened to impose unilateral import curbs on textiles and clothing from some developing countries such as Hong Kong, South Korea, Taiwan and Singapore if it were not allowed to do so legally under the MFA.

The original MFA prohibits such import curbs, designed to protect home industries against injury caused by cheap foreign imports. It also obliges all industrialised country members to allow at least a 6 per cent rate of increase in developing country exports to them.

The Community argued that it could not accept such a high rate of yearly increase in imports from developing countries because of the threat of factory closures and massive unemployment in the textile industries of its member states.

The U.S., which was against any move away from trade liberalisation, reluctantly backed the Community on the condition that it concluded bilateral textile trade deals with the main partners. The MFA is seen as being an international legal framework setting down rules for the contents of separate bilateral textile trade accords.

The protocol renewing the MFA and including the reasonable departures clause stated that "one major participant" in the negotiations had said that it might have difficulties in enforcing the original MFA's provisions concerning the rate of increase in developing country imports.

Among other things the Textile Surveillance Body has the responsibility of approving the contents of any bilateral textile trade accords reached among countries that have signed the MFA.

When the accord between Canada and the Philippines came up for such approval last week, a developing country participant objected to inclusion in the text of a right given to Canada to use the reasonable departures clause to impose import curbs.

This clause had been added only to solve problems faced by the Common Market, and it could not be used by other textile importing countries, the delegate argued.

Canada then said it would pull out of the MFA if the clause was not interpreted to mean that it may be used by any MFA member to impose curbs.

The U.S. backed the Canadian view. The U.S. insistance on freedom to use the clause, after opposition to it during the 1977 negotiations for MFA renewal, is being seen here as reflecting their fears that textiles kept out of the Community will flood U.S. markets.

In return for a commitment by the powerful U.S. textile lobby not to hold up passage in U.S. Congress of a separate trade package negotiated in Geneva at the recent Tokyo Round Talks, President Carter earlier this year promised to ensure that textile manufacturers will not be faced with excessively severe competition from foreign imports.

The hard line U.S. stand in the Trade Surveillance Body reflects this pledge to the textile lobby, which earlier threatened to persuade Congress to reject the Tokyo Round package if textiles were not entirely excluded from tariff reductions agreed in it.

The package aims at further trade liberalisation following the 1967 Kennedy Round of tariff cut negotiations.

UNCTAD says pact harms Third World

GENEVA—The Tokyo Round agreements concluded by most of the rich states do little to help poor nations, and only serve to perpetuate a trading system that works more and more against them, say the UN Conference on Trade and Development (UNCTAD).

An UNCTAD secretariat report claims that industrialised governments have largely failed to keep formal promises in most of the arrangements worked out among themselves, and at least in one respect Third World countries will lose advantages they already enjoyed before the recent Tokyo Round talks.

These are the main conclusions of a preliminary secretariat assessment of the treaty initialled before Easter by 20 advanced states — among them the U.S., Japan and the European Economic Community — two Communist countries and Argentina, all attaching their own reservations.

All other developing countries snubbed the treaty on tariff lowering and new trade codes. Accounting for more than two-thirds of the 99 states that negotiated five years ago in Geneva, they will set their stance at the forthcoming UNCTAD meeting in Manila to which the secretariat report is addressed. Founded in 1964, UNCTAD now has 150 member states.

The secretariat report criticises the way in which the talks were conducted by the rich states, prompting fears among developing countries that they would be presented with a final treaty "on a take-it-or-leave-it basis without having fully participated in its negotiation."

It said that while the 1973 Tokyo conference, which decided the talks, had set up a steering committee in which all participants were represented, the developing states' request for a rule that no text be accepted unless approved by a committee majority went unheeded.

The secretariat report was written before the industrialised states initialled the Tokyo Round package agreements on April 12.

Notwithstanding the ceremony, details of the new tariff schedule must still be worked out by the initialers until the end of June, and talks on proposed trade safeguards continue at least until mid-July. The U.S. hopes to have these agreed and in hand in time for approval by its Congress some time this fall.

While tariffs and safeguards are still in suspense, the secretariat's report will serve as a basis for discussion, evaluation and recommendation for the third world's reaction to the Tokyo Round treaty at the Manila conference.

The report says it is not even clear at this time how the treaty will be formally concluded, and that its application will create legal problems in the context of the still-standing General Agreement on Tariffs and Trade (GATT) that set the existing trading rules.

The report, in particular, raises the question whether GATT member states that could not accept a Tokyo Round trade code could still legally claim benefits from the same code under the basic GATT provision that concessions granted to one or more members must be extended to all other GATT states.

The report says that some states have argued that GATT members are free to agree with others on a particular interpretation of a GATT rule and apply it to their mutual trade without extending such interpretation to others. AP

Marcos urges more Asia Bank support

BY PHILIP BOWRING IN MANILA

PRESIDENT FERDINAND MARCOS called yesterday for changes in the Asian Development Bank's (ADB) policies to divert more funds to poorer members of the regional bank.

Addressing the opening of the ADB's annual meeting in Manila, Mr. Marcos urged the simplification, standardisation and liberalisation of lending terms to the less developed.

Procurement terms should be adjusted to help developing countries obtain a greater share of project contracts, he said.

In addition, Mr. Marcos warned that developing nations were facing a period of "grave difficulty" caused by high oil prices and protectionism.

Mr. Barry Holloway, the chairman of the Board of governors of the ADB and Finance Minister of Papua-New Guinea, also warned of the consequences of the oil price rise.

"Assured supply of energy at reasonable cost" was a critical factor if economic and social development was to be speeded up. He called on the Bank to provide more financial and technical effort into development of renewable energy programmes, and the dissemination of information about energy saving and renewable energy sources.

Mr. Holloway said that the state of world trade would be of crucial importance to the ability of the more advanced developing nations to grow rapidly. However, the poorest countries would need "growing amounts of development assistance." He noted that official aid flows, in real terms, were declining.

The ADB itself last year increased its new loan commitments from its conventional lending arm, the Asian Development Fund, by 40 per cent to $381m (£185m). Disbursements doubled to $167m. New loans from ordinary resources rose 27 per cent to $778m. However, the rate of disbursement was less satisfactory, rising by only $23m to $295m.

UK NEWS

Laker asks for lifting of Skytrain restrictions

By Michael Donne, Aerospace Correspondent

SIR FREDDIE LAKER, chairman of Laker Airways, is seeking the removal of all licensing restrictions on his Skytrain cheap-fare flights between Gatwick and New York and Los Angeles, to enable him to offer advance bookings and to carry cargo and mail.

Hitherto, Skytrain has been restricted to a no-reservations operation, with a single fare of £59 between Gatwick and New York, with only, recently, the additional special facility of being allowed to sell seats on the next available flight when one flight is filled.

Sir Freddie said yesterday that he was now seeking to change all this. He has asked the Civil Aviation Authority for permission to turn Skytrain into a fully scheduled-airline type of operation, abolishing all existing restrictions.

A public hearing into his plea is to be held by the authority in London on June 6. Other scheduled airlines, such as British Airways and British Caledonian, are expected to object.

Sir Freddie said that he wants to offer three categories of fare on each Skytrain flight. The first would be the existing cheap fare of £59 single to New York, available on a no-reservations, first-come, first-served basis.

The second would be an "Advanced Purchase Excursion" round-trip ticket, offering a guaranteed seat and bookable not less than 21 days in advance, at a slightly higher rate than the no-reservations fare.

The third would be a normal, advanced-booking fare with no restrictions of any kind, at a slightly higher fare than the Apex rate. The rates for these new classes of travel have not yet been fixed, but will be cheaper than those offered by other airlines.

Sir Freddie entered another new market yesterday, by signing a £1½m contract with Modernline Travel and its associates for a Laker DC-10 charter operation between Gatwick and Israel for a year.

Modernline, with its partners, Travel The World, Jaffa Tours and Venus Travel, will offer a package including return flights to Tel Aviv and basic accommodation in "modest hotels." for upwards of £95 per person. The tours will start this November.

New Ninian output promises big flow

BY KEVIN DONE, ENERGY CORRESPONDENT

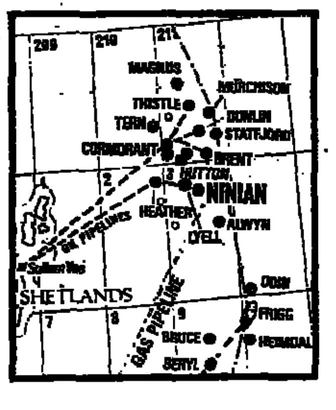
THE FLOW of crude oil from the North Sea should rise substantially this month with the start of production from the central platform of the Ninian Field, third largest field in the UK sector.

Oil began to flow earlier this week from two wells on the platform at a combined rate of 77,000 barrels a day, pushing production from the whole field to nearly 175,000 b/d.

North Sea production, about 1.5m b/d, now meets about three-quarters of UK crude oil needs. Britain should reach self-sufficiency next year. The UK will continue to import a significant part of its crude oil, while exporting the balance of North Sea crude, to gain the most efficient mix of crudes for refining.

The Ninian central platform has been brought into production a little ahead of the latest schedule set by Chevron, the field operator, allowing it to pick up some of the time lost earlier in the development programme.

The field is being developed at a cost of about £1.25bn and is expected to reach peak production of more than 360,000 b/d in 1982-83.



When the giant concrete central platform weighing more than 600,000 tonnes, was moved out to the field last year, it was billed as the largest object ever moved by man.

As more wells are drilled this year from this platform and the southern steel platform, production should continue to rise sharply, reaching about 240,000 b/d by the New Year, Chevron said yesterday.

The southern platform, which came into production at the end of last year, now yields about 96,000 barrels a day from four wells. A fifth well is expected to start producing in the next few days.

The new source of production from Ninian will be particularly welcome to the British National Oil Corporation, the largest shareholder, because of a temporary decline in output from its other major field, Thistle.

The Thistle partners are pushing ahead with a programme of drilling extra water injection wells to boost output later this year. For the moment production is down to about 70,000 b/d compared with 100,000 b/d toward the end of last year.

The shareholders in the Ninian Field are Chevron (operator); BNOC; British Petroleum; Imperial Chemical Industries; Ranger Oil; Lasmo; Murphy; and Odeco.

Its oil flows into the Ninian system pipeline to the terminal at Sullom Voe, Shetland.

North Sea output to Sullom Voe faces a further boost later this year, when production from the Brent Field, largest discovery in the UK sector, begins to flow through the Brent system pipeline.

So far oil from Brent could be produced only offshore into tankers.

British merchant marine worse off than world fleet in March

BY LYNTON McLAIN

BRITAIN'S merchant marine continued to have a higher proportion of its fleet idle in March than the average for the world's shipping nations.

At the end of the month Britain had 7 per cent of its merchant tonnage idle, the same proportion as in February.

The world average was 4 per cent — again the same proportion as the previous month — and 571 vessels, totalling 27.4m deadweight tons, were idle. This was 200,000 dwt more than in February, the first rise since the number of ships idle fell from the peak of 763 vessels, totalling 57m dwt, last June.

Well over half of the ships —382 vessels—were dry cargo carriers, but the greatest tonnage idle was in the tanker sector, where 189 tankers accounted for 21.3m dwt of the idle fleet.

The idle dry cargo ships represented 2 per cent of the world fleet in this category, the same proportion of the British dry cargo fleet idle at the end of March.

But Britain had a higher proportion—11 per cent—of its oil tanker fleet idle, comprising 19 ships out of Britain's idle fleet of 35 vessels, compared with the world average of 6 per cent for tanker fleets.

Other European countries were worse off than Britain in the number of ships idle, with Norway severely affected by the slump in world shipping. One fifth of Norway's tanker fleet and 14 per cent of its total tonnage was idle. Nine per cent of the Swedish merchant marine was idle, including 14 per cent of its tanker fleet.

West Germany's idle ships were almost entirely from the tanker sector, where 17 per cent of vessels were without work. This represented 8 per cent of the country's total fleet.

Barclays sued by trust fund for £500,000 loss

BARCLAYS BANK Trustee Company was sued in the High Court yesterday over a £500,000 loss suffered by a trust fund of which it was trustee as a result of a "disastrous" speculative development project.

The claim was made by the beneficiaries under a settlement made by the late Sir Herbert Bartlett, builder of Tower Bridge, St. Thomas's Hospital and Waterloo Station in London.

Barclays is contesting the claim.

Mr. Edward Nugee, QC, for the beneficiaries, told Mr. Justice Brightman that the settlement comprised 99.8 per cent of the shares in Bartlett Trust, a property investment company, of which the bank was the shareholder.

The action, alleging breach of trust, arose out of a transaction into which the bank allowed the company to enter. The company invested over £1m in a speculative development project involving properties near the Old Bailey which failed even to get to the stage of planning permission and more than half the investment was lost.

The beneficiaries are claiming a declaration that the bank is liable to make good the loss.

The hearing, expected to last for a week, continues today.

Honeyman collection total nears £1m

SALEROOM

BY ANTONY THORNCROFT

SOTHEBY'S continued yesterday with the sale of the Honeyman collection of scientific books, which it acquired from the vendor for a reputed £2m. This session brought in £271,510 to make a running total to date of £962,644. The top price was £26,000, plus the 10.8 per cent buyers' premium and VAT, for a 13th-century illuminated manuscript in Latin of Ptolemy's "Almagest." This copy was probably written in Paris.

Kraus, the New York dealer, gave £22,000 for an early 12th-century (with additions up to the 14th century) "Anthology of Romanesque Science," written in England; while a private collector acquired a German manuscript of Aristotle of 1346 for £12,000, and Euclid's "Elementa," written in France in the late 12th century, for £11,000. Kraus paid the same sum for a Latin treatise on earthquakes produced in Naples about 1460.

A German dealer paid £9,900, double the forecast, at a Warwick and Warwick stamp auction for a block of four £5 violet and black Gibraltar 1925-32 in mint condition, while at Bonhams two watercolour views of Corfu by Edward Lear sold for £3,000 and £3,900 respectively. The top price was £4,200 for "The Water Tower" by Sir William Russell Flint.

Top price in the Christie's South Kensington furniture sale was £1,650 for a blanched walnut 11-piece dining-room suite. A Bokhara carpet sold for £1,250.

At Glendinings' coin auction the top prices were £3,600 for an 1887 proof set; £2,400 for a 1911 proof set; and £1,550 for a central Dalmatian siege piece dating from the Napoleonic Wars.

The Phillips glass auction produced a good price of £6,200 for a 17th-century Nuremberg goblet.

Grundy may sell stake if NEB appeal fails

By John Elliott, Industrial Editor

GRUNDY (Teddington) wants to sell its stake in a National Enterprise Board subsidiary if it does not succeed in stopping the NEB going ahead with an Anglo-American computer peripherals project.

This was stated last night by Mr. Stanley Grundy, chairman of Grundy, after the first day's hearing of his appeal, aimed at obtaining an injunction to stop the Anglo-American project.

It was also revealed during the Appeal Court hearing yesterday that the Department of Industry is expected to provide £2.5m aid for the link-up on top of £8m allocated by the NEB.

The deal involves Data Recording Instrument, an NEB subsidiary in which Grundy is a minority shareholder, and Control Data Corporation of the U.S.

Early last year the NEB offered to buy the Grundy stake. After yesterday's hearing, Mr. Grundy said he thought that, whereas his 850,000 shares in Data Recording should be worth £1.50 each now, they would be worth only about 25p if the link-up went ahead.

He added that Grundy could make Data Recording profitable on its own if it were given the £2.5m aid promised for the NEB deal by the Department of Industry.

Oppressed

Mr. Richard Reynolds, Grundy's managing director, also accused the NEB of not being willing to talk about ways of compensating his company for the way it was being "oppressed as minority shareholder."

In the court yesterday, Grundy appealed against a High Court refusal last week of an injunction stopping the deal. It was an Appeal Court hearing, but took place in the House of Lords before Lord Diplock and Lord Salmon.

Counsel for Grundy said that the deal would be "disastrous" for the interests of minority shareholders.

The company set up by Data Recording and Control Data to run the joint venture was likely to lose £2.5m in its first two years.

BL plays the Mighty Mini name-game

THE SHORT-listed names for BL's new car to be launched next year are: Mini Maestro; Mini Metro: and Mini Match.

So far the car has been described by its code number, LC8, or simply as the Mighty Mini because it will be bigger than the model it replaces.

The three names were given yesterday to 40,000 employees in BL's Austin Morris subsidiary, so they can vote for the one they prefer.

The names were selected from 8,000 possibilities by Austin Morris's legal and marketing staff who were looking for international acceptability and availability.

London chess victory

THE 43rd annual match between the London and Amsterdam Stock Exchange chess clubs, was won by London with a score of 11 to 5 points.

Mr. F. Parr (R. Nivison and Co.) and Mr. S. J. Castello (Penney Castello Carlebach) gained maximum points. The match captains were Mr. L. D. Beamish and Mr. J. Brink

The Stock Exchange councils were represented by Mr. G. L. Pond (Wilson and Watford) and Mr. J. A. Leewens.

Pitfalls block Cuban trips

PLANS to give Yorkshire miners cut-price holidays in Cuba have been shelved. The trips were planned after Mr. Arthur Scargill, the Yorkshire miners' president, met the Cuban leader Fidel Castro while guest-of-honour at a Cuban youth festival.

Mr. Scargill had hoped to take about 300 miners and their families on the £320-a-head trip, but the holidays were cancelled after problems over the cost of air tickets.

Sasse syndicates probe given Lloyd's go-ahead

BY JOHN MOORE

THE COMMITTEE of Lloyd's of London has accepted the opinion of Mr. Stephen Merrett, the managing agent of the stricken Sasse underwriting syndicate, that a thorough investigation is required into other underwriting syndicates formerly managed by Mr. Frederick Sasse.

Other Sasse syndicates likely to be examined by Mr. Merrett's auditors, Baker Sutton, are syndicates 562, 759 and 891.

Baker Sutton will complete its work by November 1979, and a report will be submitted to the Committee of Lloyd's.

The Lloyd's committee is to arrange payment for their investigation. Thereafter Lloyd's will consider whether to ask its members for further help.

This is part of a packet of measures which the Lloyd's committee has agreed to in order to prevent Mr. Merrett and his company Merrett Dixey Syndicates from giving up the management of the Sasse syndicate, which is facing £13.6m losses.

Mr. Merrett gave details of the proposals at a meeting of the 110 members of the syndicate at Lloyds yesterday.

A loan of C$750,000 (£318,000), which has been arranged to cover losses on Canadian fire business in the 1977 underwriting year, has been made interest-free.

The committee of Lloyd's is to be responsible for arranging collateral for the members and for interest payments up to December 31, 1979.

To take advantage of the £7m loan facility that has been arranged by Lloyd's with the National Westminster Bank, its bankers, members of the syndicate need not lodge free assets with the bank as collateral.

All the members of the syndicate are to be helped to pass the audit.

A stop loss insurance policy at Lloyd's is being arranged which will prevent the members from incurring losses in 1979, so that Sasse members can accept business on other syndicates until the end of 1979.

As a result of the latest package of measures which have been negotiated with the Committee of Lloyd's, Mr. Merrett is to stay on as manager of the syndicate.

In effect, the Lloyd's committee has met most of Mr. Merrett's demands in an effort to keep him on as manager. If he had resigned Lloyd's would have found difficulty in replacing him.

Mr. Merrett took over management of the syndicate in May last year at the request of Lloyd's.

Merrett Dixey has also worked out a scheme whereby his company will be able to act unilaterally on behalf of the syndicate.

The latest proposals have been made against a background of growing concern within Lloyd's and outside that Lloyd's itself may have interfered with the principle of unlimited liability which is the unique strength of its market.

Many members say that on joining Lloyd's everyone accepts liability to the full extent of his personal wealth in meeting large losses. If Sasse has been responsible for poor underwriting, it should not be helped by the rest of the community, they argue.

Building societies 'can rely on savings'

BY MICHAEL CASSELL

BUILDING societies should be able to rely predominantly on traditional sources of finance to meet mortgage demand in the 1980s, according to Mr. Leonard Williams, chief general manager of the Nationwide Building Society.

Mr. Williams, who is about to become chairman of the Building Societies Association, was commenting in the latest issue of The Building Societies Gazette on the movement's continuing ability to attract large volumes of funds.

Some societies have suggested that without fundamental changes to the interest rate structure, the movement would be in danger of failing to meet projected mortgage demand.

With the rate of withdrawals rising and the number of investors required to finance each loan also increasing, calls have been made for a reorganisation to widen the present interest rate differential for savers and investors so as to compensate them according to the size of their accounts. A higher ratio of longer-term money has also been proposed.

There have also been suggestions that societies will in any case have to consider operating beyond the personal savings market if enough funds are to be found to meet the £20bn mortgage demand forecast for the mid-1980s.

Mr. Williams says, however, that while societies would consider the possibility of attracting some long-term money from life assurance companies and pension funds, they should be able to meet likely demand in the next decade by continuing to take about one third of the personal savings sector. This would depend on their ability to keep their rates competitive.

According to Mr. Williams, societies were not offering a banking service to savers and were unlikely to compete with the banks in this area. Contrary to a popular view, he adds, societies are not attracting more small accounts with high transaction rates, like bank current accounts.

The average ordinary share account in his society, Mr. Williams emphasises, was about five investment and withdrawal transactions a year. More than 80 per cent of accounts have fewer than 10 transactions a year.

Mr. Williams says there would be no benefit for societies in paying a very low interest rate on small accounts, as had been suggested. While 55 per cent of societies' accounts had balances of less than £500, these represented only about 5 per cent of societies' total investment balances.

Societies, he adds, do not depend on small accounts, because more than three quarters of the money invested with them was in the 20 per cent of accounts with balances of £20,000 or more. He emphasises, however, that small savings continued to be very important for societies.

Terms shares are also making a major contribution to the societies' inflow and stability of funds, now accounting for more than 10 per cent of all investment balances.

Bid to ease purchases in France

By Andrew Taylor

PROPERTY in France may find life a little easier as a result of moves, announced yesterday, to establish formal links between British and French estate agents.

The National Network of Estate Agents — a voluntary group of about 150 agents and chartered surveyors — has been approached by its French counterpart, Les Agences Francais, to see if links can be established.

The network, with around 630 offices throughout the UK, was established principally to ease house purchases by people seeking to move from one area of the country to another—although it says it is available to assist with commercial property deals.

Mr. Philip Sawyer, a partner of agents Banks and Silvers and a member of the network's management committee, says: "The French feel that the amount of buying and selling of residential, holiday, commercial and agricultural property between residents of both countries is increasing and will continue to do so.

"I am personally in favour of links being established and will be putting this view to other members of the National Network. Also, Les Agences Francais is expected to send representatives to our next annual conference, to be held in November."

Interest rates fall forecast by brokers

BY DAVID FREUD

INTEREST RATES should fall over the next year and a half, according to City stockbrokers Capel-Cure Myers.

In its latest circular the firm forecasts that Minimum Lending Rate will fall from 12 per cent to 9 per cent by the end of the year, with a further fall to 8 per cent by the end of 1980.

The economy is expected to slow sharply over the next 18 months or so, and the strength of sterling means an improvement in the prospects for reducing inflation. These two factors are expected to bring down interest rates.

The firm predicts that sterling will depreciate slightly over the remainder of the year, to a trade-weighted level of 65 on the index and a dollar rate of $2.02.

"This is less than is required to maintain competitiveness, reflecting as it does the enforcement of a strict monetary policy and the existence of North Sea oil."

The firm says that both political parties have said they want to limit this year's Public Sector Borrowing Requirement to £8.5bn or below. However, the underlying trend suggests a much higher figure of between £9.5bn and £10bn on unchanged policies.

"While it is possible to keep the PSBR within the desired target level by the strict enforcement of controls and the sale of financial assets, there is unlikely to be any additional scope for direct tax cuts without compensating increases elsewhere."

For this reason Capel-Cure Myers believes the tenor of the first financial statement by a new government is more likely to be on redirecting rather than reducing the tax burden.

Stockbrokers Kemp-Gee and Co. says that sterling's weakness last week has proved short-lived and it is inclined to view the shake-out as a passing phase. "There seems no need to be unduly pessimistic about sterling for the time being," it concludes.

Funds 'hold wide spread of equities'

By Eric Short

PENSION FUNDS have a much wider spread of holdings in their equity portfolios and a much higher proportion of investment in small companies than is commonly assumed. An investigation by Mr. Richard Minns for the Centre for Environmental Studies on pension funds' equity investment pattern shows.

The first main conclusion is that these pension funds held shares in more than 50 per cent of all UK-quoted companies. In 1977, of 2,174 quoted companies 1,253 were held in the portfolios. This pattern also occurred for 1972 and 1974.

The second finding was that pension funds in 1977 had holdings in more than a third of quoted companies with a market value below £5m. Of the 1.3[illegible] small quoted companies in 19[illegible] funds had investment in [illegible] Proportions were similar in [illegible] and 1974.

Biggest concentrations [illegible] large companies were in [illegible] sector funds, es[illegible] nationalised industries.

Pension Funds and Ownership of Shares in Companies: Research Centre for Environmental Studies, 62 Chancery [illegible] London WC2N 4HH.

CONTRACTS

£3m for 600 Group machine tool research

THE 600 GROUP has signed a research and development contract with the Department of Industry to establish a Flexible Manufacturing System (FMS) pilot cell to machine a wide family of turned components. The £3m contract, approved by the Department's Mechanical Engineering and Machine Tool Requirements Board, is for three years.

The FMS cell will consist of a mixed range computer numerical control and conventional machine tools, and will completely machine the components. Robots will be used for automatic loading and unloading and will be linked by a palletised conveyor system. The whole will be fully integrated into a flexible transfer line under direct computer control. The research unit will be at Hydro Machine Tools, Halstead, Essex, a 600 Group subsidiary specialising in CNC lathes.

*

HADEN YOUNG has won a £500,000 contract to install all mechanical services into a climactic chamber at the Army's personnel research establishment at Farnborough, Hampshire. It will be used for research on human protection in temperature and arctic cold.

*

M. AND T. CHEMICALS has received an order worth nearly £500,000 from Caterpillar Tractor of Birtley, Tyne and Wear. The contract is for an advanced automatic hard chrome plating line including all ancillary equipment and an effluent disposal plant. M. and T. Chemicals has also won a contract worth £250,000 from Ford-Werke AG of Cologne for two new automatic phosphating lines. The plants, to be installed at Swansea and Halewood, will have an output of nearly nine loads an hour and are to be used for treating components for Ford gearboxes and transmission systems.

*

Shell Exploration and Production has awarded the air correction division of UOP, Northampton, a contract worth more than £100,000 for 11 gas separators that will be used to remove liquid and solid impurities in a natural gas stream before it is compressed on a Shell well head platform in the Fulmar oilfield in the North Sea.

Midlands outlook bet[illegible]

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SIGNS OF AN UPTURN in the West Midlands are shown by the latest survey of companies undertaken by the regional office of the Confederation of British Industry.

Home and export orders are slightly higher and spare capacity lower, according to results of the survey, published today. But Mr. Steve Rankin, the CBI regional director, said it was difficult to assess how much importance should be attached to the improvement.

"We need to see what happens in another two months," he said. "The present trend could be the continuing recovery from a disastrous winter, or a definite [illegible] towards a healthier future."

Mr. Rankin was particularly cautious about the apparent improvements in exports. "The U.S. economy has improved, and there are signs of growing strength in the economies of Japan and West Germany [illegible] other main competitors," [illegible] said. But Britain faced handicaps of low productivity and a strong pound.

Shortage of skilled labour was a disturbing trend thrown up by the survey. Not one of the Midland companies questioned reported any improvement in recruiting men.

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Safety fears over brake pads

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

POOR QUALITY disc brake pad materials, mostly imported from Spain and Italy, are being sold in the UK automotive replacement market, a group of British manufacturers claimed yesterday.

"There are several small manufacturers of friction materials operating on shoe-string budgets who are showing less concern for public safety than perhaps they should," maintained Mr. George Colson, a director of Mintex and spokesman for the British group.

Tests carried out by the UK companies over the past two years on 32 brands of "unknown" imported disc brake pads revealed that 12 did not come up to the minimum standards the British apply before their products are released as being safe to use.

Another seven were found to be of "marginal" performance, leaving only 13—or 40 per cent—"acceptable," according to the UK companies.

Mr. Colson stressed that his group was not campaigning against imports from "quality-conscious overseas manufacturers, many of whom have their own long-established reputations to sustain backed by their own research and development facilities."

The offending products were mainly anonymously packaged and, as far as the do-it-yourself motorist was concerned, difficult to identify as there was little to indicate they were imported; and neither were they particularly cheap at the retail level.

There are no legal minimum standards for replacement brake pads in the UK as there are in West Germany, for example, and the MoT tests to be introduced in Britain in June would not necessarily show up deficiencies in the pads.

So far the manufacturers have discovered 50 brands of "unknown" disc brake pads on sale in Britain, but these have captured only a relatively small share of the UK replacement market for such products—estimated to be worth £17.4m a year by Industrial Market Research in a report to be published shortly.

The same report suggests 27 per cent of do-it-yourself motorists fit their own replacement brake pads.

But "they might represent a safety hazard, are poor value for money, and could destroy public confidence in the reliable products available," insisted Mr. Colson.

The UK manufacturers are countering the problem by emphasising the quality standards of their own products by using a "QA" (for Quality Assured) symbol as a kind of guarantee on their brands, which include Lockheed, Girling, Don, Ferodo, Mintex, Trist Draper, Autela, Belaco, Duron, GT Autoparts, and Gandex.

£300,000 green slate comeback

BY RHYS DAVID

GREEN SLATE, one of the distinctive products of the Lake District is making a comeback. Demand is rising, particularly in export markets.

But for one of the surviving companies in the industry, Buttermere and Westmoreland Green Slate, the revival is creating some problems.

The company, which operates the Honister quarries on Honister Pass between Borrowdale and Buttermere, dating back more than three centuries, has both orders and reserves. Operations were run down to such an extent, however, following the rise in post-war years of the ceramic roofing tile, that the company now needs a major injection of capital to finance an expansion of its activities.

The Honister quarries, which in their time have supplied a range of famous buildings, including the Ritz Hotel, St. James's Palace and Durham Cathedral, were until 1967 operated by companies under licence from the owner of the land, Lord Egremont, whose northern seat is at nearby Cockermouth Castle. In that year, however, the last of the old companies pulled out. The quarries have been run directly since then, first, by the late Lord Egremont and then by his successor.

During this period efforts have been made to diversify into tiles for walls and floors as well as roofing. Sales have been developed in a number of overseas markets, in particular Scandinavia. The company also obtained planning permission in 1967 for new quarry operations, but has subsequently found that the material available from this site is not wholly suitable.

Green slate is volcanic and formed partly from lava and partly from ash. The new quarry has been found to contain slate formed mainly from lava. While this type saws and polishes well, making is suitable for the gift trade, it does not split easily into tiles, as slate formed from ash does.

The company last year obtained planning permission for another quarry which, according to a survey commissioned from Powell Duffryn quarrying experts, is mainly ash. If this can be developed, a substantial increase in output to meet rising demand would be possible, the company believes.

According to Mr. R. W. Hindmoor, company secretary of Buttermere and Westmoreland, the capital requirement for developing the new site is estimated at £250,000-£300,000. *An advertisement has been* placed in newspapers to see whether a partner can be found.

Green slate, a cousin to Welsh slate which is similarly enjoying a modest revival, costs 30-40 per cent more per roof than its ceramic rival. But its estimated life of 100 years is at least double. Some 70-80 per cent of the Honister quarry's business is now in export markets. There is also a steady demand for the material in the UK. Historic buildings are among the main customers.

The extra finance is needed mainly to cope with the cost of removing the overburden under which the new reserves lie. Much of the quarry's output was originally deep-mined but this process is now uneconomic except as a standby in unfavourable weather.

With finance the company believes it could expand employment which has shrunk to only 37. Very little alternative industrial employment is available in the area which is becoming dependent on tourism. Expansion of the giftware side would also be possible if new financing for the slate operations could be obtained.

Cutting to replace dangerous tunnel

BY IAN HARGREAVES

BRITISH RAIL is to bypass the 750 ft long Penmanshiel Tunnel on its East Coast main line in Scotland, where two men died in March after a rock fall.

British Rail said yesterday that its engineers had decided that the 130-year-old tunnel, between Berwick and Dunbar, was still considered unsafe

The bodies of the two men killed have still not been recovered. They were at work, widening the tunnel to accommodate modern freight containers, when the accident occurred.

British Rail said it had looked at a number of options, including closure of the northern section of the line and keeping in use the diversionary lines which have kept London-Edinburgh services open since the accident. Another option, now rejected, would have involved cutting the hill in two, creating a 75 ft deep cutting along an altered track alignment.

The option it favours, however, is to spend a further £1m making an open cutting nearer to the A1 trunk road. Work will start in the next few days and will be completed within six months.

British Rail said the announcement "should end frequent speculation about the line's long-term future."

From May 14, until the line is re-opened, there will be six direct day-time trains in each direction between Edinburgh and London—three to Kings Cross via Carlisle and three to Euston. In addition, a further *four day services are available* by changing to west coast main-line services at Carstairs.

Invincible on sea trials

THE FIRST of the Navy's new class of anti-submarine cruisers, the 20,000-ton Invincible, built by Vickers (Shipbuilding), is now undergoing sea trials off the West Coast of Scotland before joining the fleet. Two other vessels in this class, Illustrious and Ark Royal, are under construction by Swan Hunter of Wallsend-on-Tyne.

The Invincible, like its sister ships, is powered by Rolls-Royce marine Olympus gas-turbine engines. The vessel will be equipped with Sea Harrier vertical take-off aircraft and Sea King helicopters, as well as the Sea Dart missile system.

Caledonian Airways gives staff £644,000 shares

EMPLOYEES OF the Caledonian Airways Group, which includes British Caledonian Airways, are to receive shares in the company valued at £644,000. An agreement was made last year to adopt a share scheme for some 4,200 staff. The company is allowed to allocate up to five per cent of pre-tax profit for this.

Staff must be more than 21 years of age and have two years' service. Allocation is geared to earning levels. For every £1,000 of basic pay, employees will receive shares to the value of about £30.

Group Chairman Mr. Adam Thomson said: "The scheme is designed to give employees a stake in the organisation they work for and a strong incentive to increase profitability to their own benefit."

The scheme, he said, would be run by trustees, including staff representatives. Each year that an allocation of profit was made, the trustees would use the money to buy shares in the group company, Caledonian Airways Ltd. They would be divided by the trustees in proportion to the basic pay of participants who would not have to pay for them.

The company made a record pre-tax profit of £12,237,000, after interest on loan capital and the employee shares allocation, for the year to October 31, 1978. The group comprises British Caledonian, Blue Sky Holidays, Caledonian Hotel Management, Caledonian Airmotive (the Scottish-based aero-engineering company which will start trading in 1980) and British Caledonian Helicopters, formerly Ferranti Helicopters.

Tourist spending set to rise

By James McDonald

WORLD TOURISM expenditure up to 1990 is expected to rise slightly in constant price terms, according to the Economist Intelligence Unit.

This growth will, however, be mainly due to a changing pattern between *origin* countries, with West Germany and Japan likely to show the largest growth and with Eastern Europe likely to become an important area of origin.

In terms of tourist expenditure, the UK, in sixth place in 1976, will decline to ninth by 1980, with Canada, fourth in 1976, falling to eighth place by 1985.

Japan, seventh in 1976, is expected to have the third highest expenditure by 1985.

These are some of the main *predictions* in the unit's report, just published at £50.

The report uses sophisticated forecasting techniques, the methodology being fully detailed as a tool for those engaged in tourism planning. But it contains many interesting insights into past, present and future patterns of tourism.

For example, no less than 42 *per cent* of world travel expenditure is on cross-border trips mainly within Europe and between the U.S. and Canada and Mexico.

The average paid holiday is around 4½ weeks. In Australia it averages eight weeks, in the UK 3½, and in the U.S. 2½ weeks.

Professor's package cure for inflation

BY DAVID FREUD

THE CHANCELLOR in the incoming Government should call a convention of serious economists of all persuasions, Professor Richard Lipsey, of Queen's University, Ontario, said in London this week.

The convention *should* draft a document recommending a package-cure for inflation and the Chancellor should apply the "whole melange of cures," he said.

Professor Lipsey, author of the textbook An Introduction to Positive Economics, was lecturing at the City University, where he is a visiting professor.

Government need not apply particular cures according to specific theories of inflation, he went on. "Unless cures have a negative effect on each other there is no reason they should not be applied together."

Professor Lipsey said the best way to learn more about inflation *was for a group of economists*, who cared more about answers than about justifying doctrinaire positions, to be established to apply for a large Social Science Research Council grant.

This group should then list, publicise and provoke criticism on the main established facts about inflation.

Holiday travel

LONDON TRANSPORT is to operate Sunday bus services on Bank Holiday Monday. Sunday services will also operate on the Underground but will finish at weekday times.

Doctor says drug is addictive

A WIDELY-PRESCRIBED sedative drug is as addictive as heroin, a doctor warned yesterday

Patients may need to go into hospital to get over the withdrawal symptoms, said Dr. Michael Hession, consultant psychiatrist at the Mid-Wales Hospital, Talgarth.

The warning has been passed to the Committee on Safety of Medicines and in the meantime Dr. Hession has called on family *doctors to stop prescribing the* drug, Heminerverin.

The alert follows incidents involving five patients at Mid-Wales Hospital over the past year who went into "a state of madness" 24 hours after they stopped taking Hemineverin. Their symptoms included hallucinations, excited behaviour, crying, suicidal tendencies, and disorientation.

Effects had lasted up to eight weeks. Dr. Hession added: "The withdrawal symptoms are worse than heroin. It is a bit like a person who has gone completely mad."

Dr. Hession's findings will be published in full in "The Lancet" this week.

Hemineverin is sold in Britain by Astra Chemicals, which has offices in Watford and St. Albans, Herts, and a parent company in Sweden. The company refused to comment on the disclosure.

The Department of Health said the Committee on Safety of Medicines would investigate evidence received concerning the effects of the drug.

● Keith Moon, drummer with The Who rock group, died last September from a massive overdose of Hemineverin.

Callaghan spells out message of hope

BY IVOR OWEN

LABOUR deserves a vote of confidence after bringing Britain through the most dangerous crisis since the war, the PM declared last night in a rousing eve-of-poll speech in Cardiff.

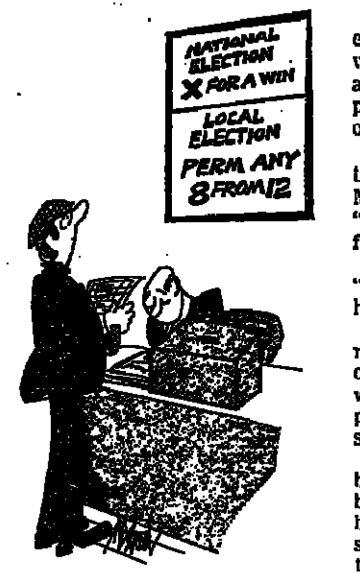
He accused Mrs. Margaret Thatcher of wilfully shutting her eyes to the truth about the improvement in the country's position since it was brought "almost to its knees" by the last Conservative Government in 1974.

Mr. Callaghan emphasised that Labour had replaced confrontation by co-operation and he appealed to the nation not to put the clock back so that the bitter experiences of the Heath years had to be endured again.

He insisted: "Ours is a message of hope. Ours is a belief that co-operation will succeed where confrontation failed. Ours is a message of promises that have been kept.

"It is upon that that we base our call for a vote of confidence from members of all parties for support for the Labour Government tomorrow."

Mr. Callaghan maintained that the essential message of the last five years was that



Britain had become a more prosperous society with a sounder industrial basis.

"When I look back to where we started from, I am astonished that the leader of the Conservative Party should have the effrontery to declare that this country has been sliding back."

The PM reminded his audience that in 1974 the Conservative Government left behind a country torn by industrial disputes and with a record balance of payments deficit.

So bad had been the situation that Mr. Heath, then Prime Minister, had spoken of his "desperate forebodings for the future."

Mr. Callaghan demanded "Does Mrs. Thatcher think we have forgotten all that?"

Labour policies, he said, had replaced confrontation by co-operation. "Instead of division we have had social justice. In place of compulsion we have sought and gained consent.

"The rate of inflation has been brought under control; the balance of payments deficit has been eliminated. living standards have been improved; taxation has been cut, social benefits, including pensions, have been increased.

"Unemployment has fallen—that is a fine record for the last five years."

Mr. Callaghan promised that a Labour Government with a renewed mandate would work for a strong, prosperous and more just society.

PM stresses Labour links with unions

BY IVOR OWEN

BY RETURNING a Labour Government, voters can ensure that Britain has fewer strikes and that the living standards of ordinary families rise faster, the Prime Minister claimed yesterday in his final election Press conference in Cardiff.

Snow and sleet gave a chill beginning to his full round of eve-of-poll engagements in the city which has provided him with his Commons seat for 34 years.

Mr. Callaghan was joined on the platform by Mr. Michael Foot, the deputy Labour leader, who had to contend with an inch of snow in Tredegar as he made his way from his Ebbw Vale constituency to Cardiff.

No opportunity was lost to stress the prominent role of Welsh-based politicians in the Labour hierarchy.

Mr. John Morris, the Welsh Secretary, confidently forecast that the party will enter the next Parliament with an even more dominant hold on the 36 Welsh seats.

Mr. Callaghan held to the main themes which have featured in nearly every speech he has made during the election campaign — industrial relations, jobs and prices.

He based his claim that under Labour there will be less risk of industrial disruption than under the Conservatives by again underlining that the Government's latest agreement with the TUC recognised that strikes should be a weapon of last resort.

But he conceded that the agreement is unlikely to be severely tested until next winter.

"I believe that is the time when we shall see how far it is working."

He expected the next TUC Congress in September to ratify the agreement in full and once this had been done there would be the strongest moral obligation upon the trade unions to carry it through.

"That is my belief about next winter—I prefer not to speculate what will happen if it does not work."

Mr. Callaghan accepted that it would be unrealistic to expect 100 per cent compliance with the agreement but insisted that the Conservative proposals to impose new legal obligations on the unions were "purely cosmetic."

The Conservative formula, he said, was directed to "pimples on the body—just irritants"—and would not cure any of the basic problems that existed.

Mr. Callaghan suggested that jobs would be safer under Labour because of the implications of Conservative proposals affecting State aid for industry and argued that prices would be under more control under Labour with a strengthened Price Commission.

Narrow majority predicted

BY JOHN LLOYD

Labour will win, but with a narrow majority, Mr. Bruce Millan, Secretary of State for Scotland, predicted yesterday.

Mr. Millan said: "I think we will be ahead tomorrow, but not to the extent of a big majority. I don't think that will happen.

"But I hope that the swing towards Labour south of the border will be sufficient to give us a working majority. I think another hung Parliament would be bad for the country."

Mr. John Silkin, speaking in Deptford, London, said that the Conservatives had a "cowardly approach" to the Common Market.

"They cry 'Don't rock the boat, you may upset our European partners, be nice to them and perhaps they may give us something.'"

Mr. Silkin said that "Labour's strong stand" had won a four-year food price freeze, butter and school milk subsidies and the retention of "the daily pinta."

The next Labour Government would change the CAP, freeze prices until food surpluses were ended and improve access to cheap food.

Sunny Jim ready for new term

By Kenneth Gooding

A RELAXED and smiling Mr. James Callaghan spent the final day of the election campaign with the constituents who have backed him for more than 30 years.

Young children in traditional Welsh dress greeted him in song as he emerged from a cheerful meeting with pensioners in an old peoples' home.

Then it was on to another school and a meal of sausages, chips and beans and meringue pie. "Delicious," was his verdict.

The Prime Minister, good-humoured and outwardly confident, began the day by assuring a Press conference that he was ready to complete another full Parliament—five years as Prime Minister.

"And after that?" he was asked. Mr. Callaghan replied: "I am supposed to be Moses, not Methuselah."

SECURITY FORCES in Northern Ireland have been put on the alert to combat any attempt by the Provisional IRA to disrupt polling today.

The province's 584 polling stations will be ringed by police and the 2,500 full-time members of the Ulster Defence Regiment have been deployed to back up the Army. Many of the 64 candidates fighting the 12 constituencies have been given guards.

SLEET, SNOW, strong winds and low temperatures (from 5C to 8C) have been forecast for today.

THE FIRST "result" has shown a win for the Conservatives. Taken in Benidorm and Majorca by Thomson Holidays on a "constituency" of 2,000 British holidaymakers, the result was Conservatives, 53 per cent: Labour 32 per cent: Liberals 10.6 per cent and others 3.4 per cent.

Hugh Routledge, Leonard Burt, Roger Taylor

Three faces of leadership: Thatcher, Callaghan and Steel.

Thatcher takes tough line on 'scroungers'

BY OUR LOBBY STAFF

AN OUTWARDLY confident Mrs. Thatcher promised yesterday that the Tories would take a much tougher line with people who consistently turned down offers of a suitable job while receiving social security.

But she balanced this hard line on "scroungers" with a pledge that there would be no major redundancies resulting from the party's plans to cut public spending.

At her last Press conference of the campaign, Mrs. Thatcher's main purpose seemed to be to try to raise the level of debate above individual issues and onto a more idealistic plain which she presumably hoped might strike a sympathetic chord among voters leaning towards the Liberals.

The case for voting Conservative, she said, was not merely a material one but a moral one as well.

She also repeated the message that she has been developing throughout the week—that a vote for the minority parties would be a wasted one.

There was only one way to defeat "state socialism" and that was by voting Conservative. Voting Liberal or Nationalist could put a Labour Government in power, she warned.

Questioned on individual policies, she and other speakers confirmed that the Conservatives would like to raise the starting point for pay investment income surcharge to at least £4,500.

The Conservative manifesto commits the party to "reinforcing" the rules about the unemployed accepting available jobs and yesterday Mrs. Thatcher said that a Conservative Government would be very much tougher in seeing that people drawing social security accepted suitable jobs.

Such people, she said, could not go on preferring to live on social security payments taken from other people's taxes.

But she and Sir Geoffrey Howe, the shadow Chancellor, also emphasised that they hoped it would be possible to make the necessary reductions in State spending without a major programme of redundancies.

Natural wastage would provide considerable opportunities for slimming down the workforce, and in some instances, workers might be offered early retirement. But Mrs. Thatcher was careful to stress that any early retirement scheme would be discussed first with the people involved and that the terms would have to be generous.

Mrs. Thatcher also admitted that she was attracted by the idea of setting up a new index to monitor the cost of living.

She said that for some time she had thought it ought to be possible to devise an index which treated tax as a cost instead of concentrating solely on prices.

Such an index would obviously present the result of any switch the Tories might make from direct to indirect taxation in a better light than the existing indices, but she stressed that there was no question of replacing the present Retail Prices Index altogether.

Sir Geoffrey also attacked Labour's economic policies as "muddled." The figures, he said, simply did not add up.

But, for the most part, yesterday's conference was devoted to selling Tory policies rather than knocking Labour's.

Throughout the campaigning, Mrs. Thatcher said, Conservative policies had been "all of a piece, stemming from the passionate belief in the rights of families and individuals to lead their own lives and to become a nation of independent individuals." The case for cutting taxes was a moral as well as a material one.

Describing herself as having "very considerable grounds for cautious optimism," she refused to countenance the possibility of a hung Parliament.

She indicated that those who favoured proportional representation as a solution to Britain's problems were dodging the main issue. The only way to fight "state socialism" was by meeting it "head on."

There was only one way of securing the change which she believed the people wanted and that was to vote Conservative.

Tories 'quietly optimistic'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MRS. THATCHER ended a whirlwind tour of five Labour-held seats in south London yesterday with the prediction that there was "a very good chance" of a clear Conservative majority in the new Parliament.

"I believe in my heart that we shall get a majority," she declared cheerfully. "Not only in my heart—my head has done quite a lot of calculations as well.

"We are quietly optimistic. We have very good grounds for being optimistic tomorrow. It is going to be a pretty crucial 15 hours."

The Conservative leader declared that she was not worrying about the possibility of a hung Parliament. There were three ways of putting a Labour Government back in: by voting Labour, voting Liberal or voting Nationalist.

"If you don't want a Labour Government in, there is only one thing to do, and that is to turn out and vote Conservative."

Looking fit and lively Mrs. Thatcher said that her campaign tactics had been right. The Conservatives had presented their policies in a positive way and that had been steadily having an effect.

"I could go on for weeks," she joked. "It really is getting very stimulating indeed." There had been no surprises during the campaign and she hoped that there would be none today.

She refused to be tempted into forecasting what she thought the Conservative majority would be. "I am willing to wait another 36 hours."

Asked how she would feel about being Prime Minister, she suggested that the question should be put again in two days' time. Nevertheless, judging by the tone of her answer, there was a hint that she already envisaged herself in No. 10.

"Obviously one is very much aware of the tremendous responsibility of being Prime Minister of Great Britain. To me it is the highest ambition one could aim for.

"I do feel passionately about the way of life that made Britain great and I am determined we should have that way of life again."

Mrs. Thatcher visited Fulham; Battersea, South; Norwood, Central; Lewisham, West; and Dulwich, most of which are considered by the Conservatives to be marginal.

Mrs. Thatcher said that the party workers there were finding tremendous support, much of it from areas such as council estates that had not provided it before.

In Fulham, Michael Stewart, the former Labour Foreign Secretary, was the member, with a majority of 5,321, before retiring at the end of the last Parliament. Lewisham, West, is held by Mr. Christopher Price, the Labour Left-winger, with a majority of 5,529.

Steel predicts hung Parliament

BY PAUL TAYLOR

MR. DAVID STEEL, the Liberal leader, yesterday accused Mrs. Thatcher of being "out of tune" with industry over her views on proportional representation.

Mr. Steel's attack came at the Liberal's final Press conference of the election campaign conducted by Mr. Steel from his Scottish constituency over a telephone link to London.

Asked to comment on Mrs. Thatcher's statement that those advocating electoral reform were taking the easy way out of fighting socialism, Mr. Steel said the Tory leader had "ignored the upsurge of interest in electoral reform."

Drawing attention to the support given by the Confederation of British Industry for electoral change Mr. Steel said most of those in industry want a degree of stability and know that a change in the electoral system is more likely to keep Britain on a central economic course than either Conservatism or Socialism.

Throughout the Press conference, Mr. Steel's renewed confidence that the election result will produce a hung Parliament with the Liberals holding the balance was apparent.

He repeated his prediction that the Liberals will emerge from the election with a minimum of 20 seats and perhaps up to 50 seats and said he still had "no preference" for working with either the Conservatives or Labour

However, he said, there was "an absolute obligation" on the party leaders to accept the verdict of the voters.

He warned that the electorate would not like another minority government and would not thank any party, without a clear majority, for calling another election quickly should the result today be inconclusive.

Mr Steel also attacked Mrs. Thatcher for her advice to voters not to throw away their votes by supporting minority parties

This was "an old familiar cry" but the Liberals were offering the voters the chance not just to change the Government but "to change the pattern of the political system."

Returning to the theme of a People's Parliament, Mr Steel said that a Parliament in which no party had an overall majority would lead to a "stable programme of national reform over the next five years."

Tories retaliate on jobs

BY OUR LOBBY STAFF

SENIOR TORIES mounted an eve-of-poll attack on Labour's claims that a Tory government would lead to an increase in unemployment. The truth, they insisted, was that the Conservatives' "commonsense approach" would lead to more jobs.

Most Shadow Ministers spent the last day of the campaign in their constituencies but continued to hammer home the message that only a Tory Government offered the country a chance of genuine change for the better.

As on almost every day since the campaign began, they also felt obliged to retaliate at what they termed Labour "smears."

Mr. James Prior, the Conservative employment spokesman, speaking in his Lowestoft constituency, said that Labour was not only wrong in predicting that the Tories would increase unemployment but that, in fact the reverse was true and that a vote for Labour was a vote for unemployment.

He denied what he described as Labour's "wilful misrepresentation" of the Conservatives' policy on the Post Office. The party, he said, had made no decision about the Carter report's recommendation to split the corporation into two separate businesses or whether to break the Post Office's monopoly of supply and installation of equipment.

He said on the eve of the poll that it was wrong to suggest that a Conservative Government would fail to honour the recommendation of the Clegg Commission on pay comparability. He also rejected claims that a Tory government would instigate another round of "Beeching style" cuts on the railways.

Mr. Mark Carlisle, Conservative education spokesman, also took up the jobs theme in a statement yesterday rejecting what he described as Denis Healey's attempts to make political capital out of the Merseyside Chamber of Commerce's views on Tory policies for the National Enterprise Board.

The Conservatives would, be repeated, keep the NEB in being and allow it to continue "with its useful work of restoring invalid companies to health." What they would stop was Labour's scheme for using the NEB as a vehicle for "backdoor nationalisation."

It was the "Conservative commonsense approach to jobs," he said, that might bring new hope to Merseyside.

Mr. Edward Heath, the former Prime Minister, ended his round Britain tour with a call on Britain's first-time voters to "revolt" against the Labour Government and support the Conservatives. The new generation must revolt against the stagnation and failure that it had seen over the past few years.

In their final speeches, Mr. Francis Pym, Shadow Foreign Secretary, and Sir Ian Gilmour, Conservative defence spokesman, returned to the theme that only the Conservatives offered Britain the chance of real prosperity in the future.

Attacking Labour's record they argued that a vote for the Tories would be a signal of a new beginning that would enable the country to turn its back on the "failures of the Labour years."

Liberals stand poised as a Tory stronghold grows restless

BY BARRY RILEY

CUT OFF by the River Thames to the north and west and by its park to the south, Richmond cherishes its individuality among London's prosperous suburban sprawl.

Maybe that is why, over the past 20 years or so, the constituency has grown restless in its role as a Conservative stronghold and has acquired a place on the Liberal Party's list of 20 most winnable seats.

However, Mr. Alan Watson, Liberal candidate, has faced a hard task in trying to oust Sir Anthony Royle, member since 1959. Mr. Watson, a former television journalist who ekes out a living as Brussels Eurocrat, needs a swing in his favour of more than 5 per cent. From the occasional base of a Sheen *pied à terre*, he has mounted a campaign with a typical Liberal emphasis on a power base in local politics.

A vigorous local party exploited in the 1960s the political gulf left between a sleepy Tory organisation and the vestigial Labour vote. In Richmond not even the deer are red, although there are, some say, council estates to be found in the further flung parts of the constituency, and there are huddled terraces beneath Watney's brewery at riverside Mortlake.

In the past decade or so, the Liberal campaigners have moved in and ousted the few one-time Labour councillors. The Liberals won a 13—9 victory over the Conservatives at last year's borough elections (although they are less forthcoming about their loss of the constituency's Greater London Council seat to the Tories in 1977).

The borough council as a whole, however, remains dominated by Twickenham Conservatives, allowing the Richmond Liberals room to whip up local feeling about the recent 20 per cent rate increase.

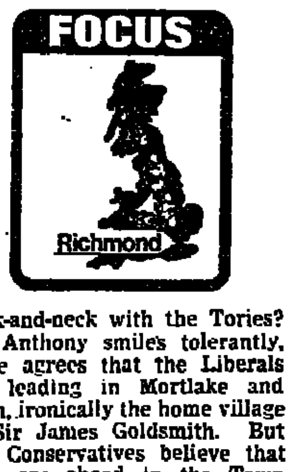
Moreover, a minor local scandal has erupted during the election campaign: four Conservative councillors from Kew resigned from the Conservative Association last week over a loan to a property company that proposes to develop council-owned land.

Sir Anthony Royle brushes aside all attempts to base the campaign on local issues. "I'm distanced from the council," he points out carefully, although he emphasises his interests in local issues such as motorway plans and aircraft noise—a vital point in a constituency trapped beneath the approach path to Heathrow.

He is a director of substantial companies such as Sedgwick Forbes, Brooke Bond and Wilkinson Match, maintaining an address in Cadogan Place and a manor house in Gloucestershire. He argues that Liberal criticism that he is a part-time, non-resident MP is a standard Liberal tactic that falls flat coming from a Brussels-based opponent (although Mr. Watson will move to Richmond if he wins).

Sir Anthony has his eyes firmly on the national swing and national issues. He is seeking an increased majority, although he pays tribute to the campaigns of his chief opponents.

What about the Liberals' assertions that they are running



neck-and-neck with the Tories? Sir Anthony smiles tolerantly.

He agrees that the Liberals are leading in Mortlake and Ham, ironically the home village of Sir James Goldsmith. But the Conservatives believe that they are ahead in the Town division, an area of bedsitterland which the Liberals must win if they are to make any overall impression, while the Tory hinterland of Palewell, Sheen and Barnes remains rock solid.

While the Conservatives and Liberals gain most attention, Mr. Julian Filochowski, the Labour candidate, a would-be Tribune group member from Camden, has fought a spirited campaign.

Getting round the obstacle of his mouthful of a name by printing posters carrying the message *Julian . . . who?* Mr. Filochowski has been placing the emphasis on prices, in particular, taking an anti-EEC stance on food prices.

However, normally contentious issues like unemployment, immigration or the EEC count for compartively little in pampered Richmond, a middle-class domain where Peter Barkworth is playing this week at the Theatre on the Green, and every other shop seems to sell kitchen equipment.

Mr. Filochowski, himself no horny-handed toiler but a well travelled Cambridge graduate who is secretary of an international Christian organisation, is quick to disclose one of his main difficulties. "This is a very intelligent electorate," he says. "They know all about tactical voting."

He says that the vote-switching that took place in the local elections will not be repeated in today's Parliamentary poll. But the Liberals have been hammering away at the argument that only they can oust Sir Anthony Royle.

Their hopes of victory depend partly on the possibility of a late national swing against the Conservatives, partly on tactical voting from Labour supporters. But there is a shadow over Liberal prospects, with the arrival on the scene of a brash pop music figure listed in the election schedule as Kenneth George King, commonly known as Jonathan King, standing as an independent.

While Sir Anthony Royle's white Range Rover stands ostentatiously on a yellow line outside the Tory HQ, Mr. King parks his festooned white Rolls-Royce Corniche, registration number JK 9000, in the middle of the road. At times he has also appeared in a double-decker bus.

Full of gimmicks, Mr. King has been handing out golden discs carrying his recorded message. "They only cost £175 for 5,000," he confides. He insists however, that this campaign is not a simple publicity stunt on the lines of his appearance at the Epsom by-election. "I am *serious* now. Are you?" he says in his election address.

If he should pick up a thousand, or two thousand votes it might be serious for the Liberals.

October 1974 election: Sir Anthony Royle (C), 17,450; Alan Watson (L), 13,235; R. G. Marshall Andrews (Lab), 8,714; E. A. Russell (NF), 1,000. Majority 4,215.

1979 candidates: Julian Filochowski (Lab); Jonathan King (Ind); Patricia Murphy (NF); Sir Anthony Royle (C); Alan Watson (L); David Wedgwood (Libertarian and Eng Nat).

Trevor Humphries

Liberal builder Alan Watson talks to local builder Frank Young.

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West promises to back Tories or Labour

BY STEWART DALBY

MR. HARRY WEST, leader of the Official Unionists, the main Unionist group in Ulster, disclosed yesterday that the party will be prepared to co-operate with their either the Conservative or Labour Party in the event of a hung Parliament, given agreement on a return to a fully devolved government in Northern Ireland.

The party also demands the immediate restoration of some form of local government. There is no local government in Northern Ireland between the Secretary of State and the almost powerless 26 district councils.

The Official Unionists have been trumpeting the agreement that there should be another five or six seats for Northern Ireland in the next Parliament as a great triumph for their party in the last one.

Temperamentally, the party would feel happier with a small Conservative majority, since it is a traditional Conservative ally.

However, Mr. James Molyneaux, the party's leader in the last Parliament, indicated that he believes that the Labour Party might be prepared to restore some form of local government to Northern Ireland if it were in a minority position, possibly a fully devolved government.

He has disclosed that the Labour Government went further in its attempts to secure official unionist support in the last Parliament than has probably been known.

The only real cliffhanger in the election in Northern Ireland is Mr. West's old seat of Fermanagh-South Tyrone, where the Roman Catholics and the Protestants are suffering from split tickets.

The seat, a marginal Roman Catholic majority, was captured by Mr. Frank Maguire, basically because other Roman Catholics agreed not to stand. This time, however, Mr. Austin Currie, who was Chief Whip of the Social Democratic and Labour Party, has decided to stand as an independent.

Mr. Raymond Ferguson, who will represent the Official Unionists, faces competition from Mr. Ernest Baird, leader of the United Ulster Unionist Party. Therefore the 30,000 votes Mr. West won in October, 1974, might be split.

Whether Mr. Maguire will get enough above the 25 per cent that he will need in the four-cornered contest is the key

Ray Perman examines election prospects for Scotland

Main parties gather strength at expense of nationalist decline

TWO DAYS ago, I had lunch with a senior member of the Scottish National Party. As we moved from the bar to our restaurant table the ceiling fell in.

A superstitious person might have taken it as an omen. After looking two years ago as if it could take Scotland by storm and displace the Liberals as the third force in British politics, the SNP is now lagging badly in the opinion polls and is likely to lose up to six of the 11 seats it held after the last general election.

But this nationalist was a realist and, just as he discounted the claims by most of the 71 SNP candidates that they had found the golden combination of personality, issues and propaganda that would win them improbable seats against the trend, so he dismissed the obituaries of the party as premature.

There is obviously going to have to be a period of retrenchment, he agreed, a rethinking of strategy and a change of leadership.

But, better financed and organised than any of its political rivals in Scotland, with a larger core of highly motivated activists, the SNP will survive.

The Scottish National Party is what makes Scottish politics different from the rest of Britain. Its rise was the main feature of the 1974 elections, and its present decline means that Labour north of the border will be increasing its majorities substantially, while the Conservatives are winning extra seats.

Over the last two years, the stuffing has been knocked out of the nationalists. The Lib-Lab. pact robbed them of the balance of power at Westminster, and they missed their chance in three Scottish by-elections last year, which were won easily by Labour.

The last straw was the referendum fiasco two months ago, which has made "devolution" one of the banned words in this election campaign—like "oil," the voters on the doorsteps do not want to hear it.

The SNP campaign, which started with the slogan "Scotland said Yes, will you let Westminster say no?" has had to change course. The policy of independence for Scotland is being soft-pedalled in favour of the SNP as some sort of super-pressure group for Scotland.

Labour and Tories will have their way unless the next Government is frightened into action on Scottish problems by a substantial SNP presence, Mrs. Margaret Bain, MP, told a nationalist rally in Glasgow last weekend.

The latest opinion polls give the SNP around 10 per cent less support than it received in 1974, so the best the party can hope for is a hung Parliament in which concessions from Government can be horse-traded for the votes of minority parties.

Of the 11 SNP-held seats, three were won from Labour and, despite Labour's commanding lead in the polls, they are the least likely to change hands.

Mr. Donald Stewart, the party leader, is safe with a 5,232 majority in the Gaelic-speaking Western Isles, Mr. Gordon Wilson, the deputy leader, should be able to withstand a strong Labour challenge in Dundee East, where he has a 6,983 majority and Mr. George Reid has a majority of 7,341 to cushion him in Clackmannan and East Stirling.

The other eight, won from the Conservatives, are vulnerable to a greater or lesser extent. East Dunbartonshire, where Mrs. Margaret Bain had the smallest majority in Britain, with only 22 votes to spare, could fall to either Tories or Labour, who were within a few hundred of each other in October, 1974.

Galloway, where Mr. George Thompson is defending a majority of 30, Moray and Nairn, where Mrs. Winnie Ewing has a 367 vote majority, Perth and East Perthshire, where Mr. Douglas Crawford has a majority of 793 and South Angus, where Mr. Andrew Welsh's majority is 1,824, should fall to the Conservatives.

Less certain, however, are Argyll, where Mr. Iain MacCormick has a strong local following, and the two coastal constituencies of East Aberdeenshire and Banff.

Fishing and farming are big employers in both areas and neither group is happy with Conservative policy, particularly towards the Common Agriculture and Fisheries policies.

According to an opinion poll last week, 50 per cent of Scots, including 37 per cent of Tory voters, think that Britain should pull out of the EEC.

Last week, six Conservative candidates in the area made a concerted attempt to get Mrs. Thatcher to strengthen Tory policy on fishing, but she would not go further than saying she supported a "substantial protected zone for British boats."

This is unlikely to satisfy the fishermen, who want an exclusive 50-mile zone around British coasts.

They may be encouraged to vote SNP by the fact that the party's fortunes are at such a low ebb: a protest vote can be safely cast without fear that it will lead to the break-up of the UK.

But if the Conservatives are favourites to win some SNP seats, they could lose three to the Labour Party.

Mr. Iain Sproat has a majority of only 365 over Labour in Aberdeen South, where there are 20,000 new voters since 1974. Edinburgh Pentlands is also marginal, with a 1,257 majority and 10,000 Scottish National Party votes last time which came mainly from council house tenants.

And Glasgow Cathcart, seat of the Tory shadow Scottish secretary, Mr. Teddy Taylor, looks shaky with a majority of 1,757. Mr. Taylor, however, has a strong personal following and his own rightwing populist campaign has been concentrating heavily on his local fame.

Labour has been conducting a fairly low-key campaign, emphasising the distinctively Scottish features of its record—such as the creation of the Scottish Development Agency—only in the context of the party's national themes on jobs and prices.

Mrs. Margaret Bain

As the polls show, these issues and Labour's approach to them have gone down well with the Scottish electorate and Mr. Callaghan has remained more popular north of the border than he appeared to be south of it.

Thousands of workers, particularly in west-central Scotland, where most of the Labour-held seats are, depend on Government support for their employers, whether it is in shipbuilding, engineering, the car industry or one of the firms supported by the SDA or the National Enterprise Board.

This may help to account for Labour's support, since the devolution policy, which was held by many last year to be the reason the party was doing better in Scotland than it was in England, is no longer, since the referendum, a convincing explanation.

Labour's popularity will not, however, count for many extra seats in the new Parliament, since there are relatively few Tory marginals which it can hope to win.

It should easily retain its present 39 Scottish seats and win back Paisley and South Ayrshire, which were lost when the sitting Labour MPs defected to form their own breakaway Scottish Labour Party.

The only Labour Scottish seat in obvious danger is Caithness and Sutherland, where the Liberals, who held the seat until 1966, have been unable to find a candidate.

If Liberal voters turn to the SNP as an alternative to the two major parties, this could endanger the 2,560-vote majority of Mr. Bob MacLennan.

The Liberals should hold their three Scottish seats, those of Mr. David Steel (Roxburgh, Selkirk and Peebles), Mr. Russell Johnston (Inverness) and Mr. Jo Grimond (Orkney and Shetland). They also have a chance of winning West Aberdeenshire, where they were 2,468 votes behind the Conservative last time.

SUPPORT FOR THE PARTIES IN SCOTLAND

	Gen. Elec.	Glasgow Herald Opinion Poll					
	Oct. 74	Dec. 78	Jan. 79	Feb. 79	Mar. 79	mid-April	May 1
	%	%	%	%	%	%	%
Cons.	25	25	31	37	29	27	30
Lab.	36	48	40	40	45	49	41
SNP	30	21	23	18	19	17	17
Lib.	8	4	4	4	6	6	11
Scot. Lab.	—	2	1	1	2	1	1

Scottish issues 'ignored'

MR. WILLIAM WOLFE, chairman of the Scottish National Party, accused Labour and the Conservatives yesterday of ignoring Scottish issues in the election campaign.

He attacked what he called the "presidential-style" campaigning of Mr. Callaghan and Mrs. Thatcher, which, he said, was excluding constructive thinking on matters vital to Scotland.

Speaking at his party's final pre-election news conference in Edinburgh, Mr. Wolfe said: "You would think this campaign was about the figureheads of the two major parties. Their campaigns have revolved around them and excluded constructive thinking on where Scotland is going.

"To listen to them, it is as if the events of the last decade had never happened. No Scottish oil discoveries; no Scottish parliament; no increase in Scottish self-awareness.

"Their campaigns have the putrid smell of indifference about them to the real needs of our people.

Local poll delay likely

BY PAUL TAYLOR

VOTERS in England and Wales—but not in Scotland or Greater London—will be handed two ballot papers at the polling booths today—one for the general election and one for local authority elections.

While the general election campaign has dominated the run-up to polling day, the results of the local government elections could have a significant impact on the whole range of local authority services including education, housing and social services.

Elections will be taking place in all 333 non-metropolitan districts and in the 36 metropolitan areas. In all but 77 of the polls, the full council will be up for election largely as a result of boundary changes.

In the local elections, it is the Conservatives who are the defending party because of their electoral successes in the metropolitan and district council elections of 1975, 1976 and 1977.

The result of this round of elections has been made even more unpredictable because the turnout is likely to be nearer 70-80 per cent instead of the customary 30-40 per cent

Ballot papers for the local elections will be grey—distinguishing them from the white ballot papers for the general election

A few local results are expected to be declared overnight but the bulk of the council results, about 270, are expected between noon and 6 pm on Friday, with the final few results declared up to noon on Saturday.

Ecological Party buoyant

BY MAURICE SAMUELSON

THE ECOLOGY PARTY, which forecasts an industrial and economic global crisis, yesterday said that, whatever the result of the general election, it is in business as a political force, raring to contest both the European and local elections.

The "green" party has fielded 50 candidates, 19 in the South West, and hopes to get up to 100,000 votes. It says the media has treated it seriously and that it could affect the result, especially in some Liberal held marginals.

Mr. Jonathan Porritt, the 28-year-old vice-chairman who campaigned in London's Marylebone on a bicycle, claimed that Liberals at Bodmin and Truro had asked the Ecologists not to stand. But they have contested Bodmin and would have also fought Truro if they had had a suitable candidate.

Porritt's eve of poll plea was that "a vote for the Ecologists will not be wasted." They stood for a different way of life and had a comprehensive philosophy.

The party is against lead in petrol, would de-commission nuclear power stations and wants an energy conservation campaign far more drastic than those of the established political parties.

Clash over NEB's role

BY JOHN LLOYD

TWO OF the most powerful representatives of capital and labour clashed yesterday over the role of the state in the economy.

Sir Arnold Weinstock, managing director of the General Electric Company (GEC), appearing on an eve-of-poll debate on the BBC Radio Four programme, World at One, said that the Government's expenditure on microelectronics had been "both good and bad."

The "good" had been the aid to the GEC-Fairchild joint venture in chip production. The "bad" had been the "$50m being spent in Colorado": a reference to the National Enterprise Board-backed company, INMOS, which has started research and development in Colorado City.

Mr. David Basnett, general secretary of the General and Municipal Workers' Union, also on the programme, defended the Board, maintaining that it had saved Ferranti, Rolls-Royce and BL. He regretted that Sir Arnold's "prejudice" did not allow him to recognise its useful role in the creation of INMOS.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● AUTOMATION

Bid for controller market

AT LEAST six months lead with compact but powerful control equipment aimed at a UK market; this year estimated at anywhere between £10m and £20m, is claimed by Sprecher and Schuh for its Sestep 400 programmable controller.

Built around one of the more powerful micros, the controller is intended to give users a completely finished product at low cost which will meet requirements for automatic and easily modified programmed control equipment able to operate on its own or as part of a large complex—that is in a distributed intelligence control system.

This 400 has already been put into operation in a number of installations in Switzerland, including an hierarchical system of 23 controllers for the Swiss Bank Union to automate the warehouse storing documents held by the bank.

The controller is aimed at the fastest growing area of the three markets in which Sprecher and Schuh is active, one expanding at a rate of between 30 and 40 per cent annually. It and similar programmable logic control units are expected to account for a rapidly growing proportion of the company's earnings which last year increased to £140m world-wide, including £3m from the UK company, and 15 per cent up on 1977. The UK branch is expected to improve performance by some 30 per cent this year.

Sestep 400 is suitable for use in controlling burners, heat pumps, standby generators, injection moulders and so on. In its basic form the driver micro is supported by a 4k memory so that applications involving a large number of different formulations or patterns in food industry or injection moulding applications can be handled.

There are 24 input and the same number of output channels, 60 counters, 4 timers and 256 markers. Inputs can be from pushbuttons and photocells while outputs can be up to 2 amps in 22 volt dc.

I/O channels are optically isolated and the whole operation is constantly supervised by an internal Watchdog programme which indicates status through twin lamps.

An extender is available providing a further 24 input and output channels or 32 inputs and 16 outputs: further options are on the way.

A standby battery option is offered for situations such as could arise in chemical process control to provide continuity in power failure conditions.

Programming can be carried out by the user with comparatively simple equipment, or by the agency or the local representative to user specification.

The company has fixed a very low price of £600 per controller in batches of 20, which should make a major appeal to the OEM market.

Where a customer wishes an option is a printer or display unit which can provide production information or alarm condition messages. Text memory will store up to 256 words of 16 characters and a text buffer maintains message sequence.

Programming is simple, via 45 standard instructions and a further 16 special instructions specified by the users. No previous programming experience is required.

The company operates from Thame in Oxfordshire where it intends shortly to start assembling complete control systems. Further details from Sprecher and Schuh, Thame Industrial Estate, Oxon., OX9 3SR. 084 421 3371.

● DATA PROCESSING

Competing with IBM

LOGABAX has been working on a unit which enables its L Series printers to be used as plug-compatible replacements for a number of IBM printers.

On price, performance and delivery, the new terminals compare favourably with the IBM equivalents part of the 3270 information display system Logabax asserts. It is believed that there are no other plug-compatible alternatives to these products on the market, thus the French company could make a significant impact in a new marketing area.

The LX 180 printer is between two and three and a-half times faster than the units it is intended to replace with prices from 10 to 30 per cent lower respectively.

Logabax, 1/7 Wesley Avenue, Acton Lane, London, N.W.10. 01-965 0061.

● METALWORKING

This flame cutting machine, one of the latest produced by Messer Griesham of Whitley Bay, Tyne and Wear, is intended mainly for small fabrication shops and jobbing firms needing to make profile, straight line and circle cuts in steel plate. Cuts are controlled by a photo-electric steering device. Start of cut direction can be pre-selected on the control panel and the machine will run in this direction until it reaches the drawing which will then be automatically followed.

● INSTRUMENTS

Dual-role tachometer

DOT M48 from Campact Instruments is a mains-operated tachometer intended for more permanent installation in a rack or console, or for bench use. It is available for DIN panel mounting or for free-standing applications.

The unit uses a remote, plug-in optical sensor to measure speed of rotation without any physical contact with the machine being checked. All this is necessary is to affix a small piece of light-reflecting tape to part of the rotating surface before the machine is started and then to site the remote sensor within 6 inches of the surface (longer ranges are available to special order).

The speed in rpm can then be read directly from the digital display. Alternatively, a wide range of proximity sensors are also available to plug in, in place of the optical sensor.

The new instrument reads rotational speeds up to 19,999 rpm using the built-in over-range facility. An optional × 10 facility is available to increase the range to 199,999 rpm. The crystal-controlled timebase ensures exceptional accuracy: ± 1 rpm up to 19,999 rpm and ± 10 rpm when using the high speed facility.

The displayed reading is updated every 0.6 second so speed changes are "instantly" followed. An important feature of the DOT M48 is that it uses a single pulse multiplier system. This is an electronic method of producing a true rpm readout from a single pulse per shaft revolution rather than, as with traditional tachometers, from 60 pulses per revolution.

DOT M48 is supplied with sensor extension leads, made-up to suit the application, but a linear surface speed generator can also be specified if required. This will change the readout so that it indicates surface speed in metres per minute or feet per minute for such applications as measuring the speed of drive belts, wire and cable making machinery, paper or fabric webs, and similar continuous process applications.

Compact Instruments, Binary House, Park Road, Barnet, Herts, EN5 5SA. 01 440 6663.

● PROCESSING

Low oxygen process for steel

VIDOP describes a process by Kawasaki Steel Corporation which will permit such end-users of metal powders as car manufacturers to make their cars lighter without any loss of structural strength.

VIDOP is the acronym for Vacuum Induction - heating Deoxidation Process. This successfully extracts oxygen from chromium manganese-based steel powders which are otherwise hard to deoxidise. Thus many new high-strength, low-alloy steel powders containing chromium and manganese, among other alloying materials and having oxygen content below 0.06 per cent can be made. They are far superior in strength, toughness, hardenability and other attributes to conventional alloyed steel powders, and yet are less costly to make because expensive ingredients such as nickel are not included.

The treatment reduces the oxygen content of the alloy powder to 0.052-0.57 per cent. To do this, it uses carbon as the reducing medium, adding this element to the electric furnace melt to get a good mix.

The carbon-rich powder goes into a tower-shaped shaft furnace which resembles a continuous casting machine of the vertical mould type, but equipped with induction coils.

Powder, after being dehydrated, dried, crushed and screened, is fed into the furnace in a wholly automated operation. The powder is sintered into solid cake which is deoxidised, as it travels further downward by the action of a heavy alternating current, inducing rapid heating. Oxides burn off and the carbon reacting with oxygen present in metallic inclusions forms carbon monoxide. The deoxidised cake is then cut into slices and crushed to powder.

Kawasaki Steel, New Yurakucho Bldg., 12-1, 1-chome, Yurakucho, Chiyoda-Ku, Tokyo, Japan.

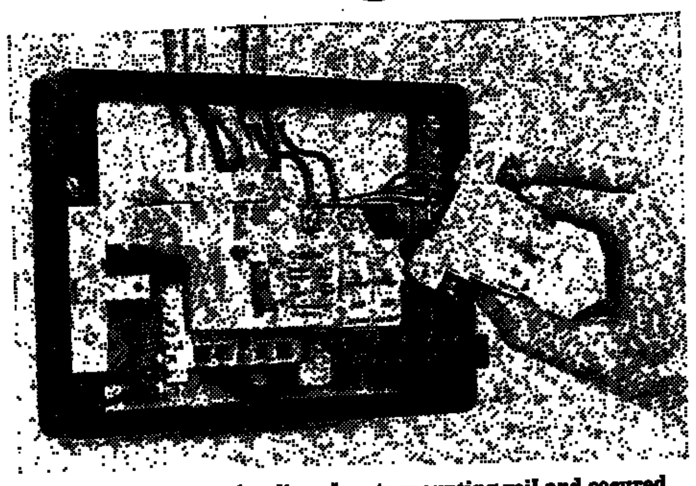
● SAFETY AND SECURITY

Cuts power before danger

STARBREAKER designates new types of consumer electrical circuit protection designed by Crabtree around an improved miniature circuit breaker of the thermal-magnetic current-limiting type.

Compact construction of the breaker has been achieved by minimising the number of parts and of welded joints and rivets. Critical selection of materials used has, for example, specified silver graphite for the fixed contact. The breaker has also been designed so that it will trip, even if someone ill-advisedly, is holding the switch toggle open.

Mounting could not be simpler since the breakers fit to a proprietary rail, or in custom-built installations on to standard 35 mm DIN rails.



Circuit breaker can be clipped on to mounting rail and secured by a single screw.

Detection of overload conditions takes place through a bimetallic strip which deflects in proportion to the current passing through it. It moves against a trip bar, releasing the mechanism.

When the current flowing through the breaker reaches a predetermined level, in short circuit conditions, a solenoid pulls in a hinged action plunger which separates the contacts and releases the trip.

In both instances, as the moving contact separates from the fixed one, an arc is set up. But at the same time, the voltage across the arc is developed across the splitter plates. The arc moves up inside the breaker along the runner to these plates where it is extinguished.

Because the contact has low inertia and moves very quickly the arc builds up fast and is extinguished fast. This has a marked limiting effect on the flow of fault current and a typical operating time of between 3.5 and 5 milliseconds is achieved.

Thus, under fault conditions, energy let-through is minimised and it is, of course, this energy that causes damage to the installation and the equipment to which it is feeding power.

Starbreaker versions with earth leakage circuit breakers (elcb) for use in particularly hazardous environments to protect against fire and/or shock risks, would normally have the elcb's factory-fitted to busbar and neutral connections. They incorporate a current balance transformer and polarised relay, the contacts carrying the main current being held closed by the trip. A predetermined earth leakage in the circuit or circuits the device protects unbalances the transformer, and feeds the output from the detector windings to the relay which then triggers the trip.

With the Starbreaker series, which runs from 5 to 45 amps, and elcb's having a 30 milliamp or 100 milliamp sensitivity, the company has brought out a series of wall-mounting toggle switches which are intended to save a considerable amount of time for large-scale installations since push-in wiring held by release buttons is specified.

Crabtree has spared a thought for the decorator, and the ultimate appearance of the switch, by providing a removable surround which covers the fixing screws as well.

Corinthian switches are claimed to be the first available in the UK with this time-saving device of push-in terminals.

J. A. Crabtree and Co., Crabtree House, Aldridge, Walsall 39327.

Protecting the plant

THOUGH the primary cause of the Harrisburg atomic near-disaster appears to have been a cooling system malfunction, it seems that operator errors compounded the effects of this failure, Castell Locks points out.

The company says that many operations involving the transfer of liquids and gases at power stations, petrochemical refineries and chemical plants can lead to disaster if the correct sequence of valve opening and closing is not followed. Damage to plant, serious injury to staff and loss of valuable product or raw materials can all be caused by opening or closing the wrong valve at the wrong time.

Valve interlocks—based on a captive key system—offer a fail-safe, low-cost, mechanical solution to the problem of sequential valve operation which does not involve physical links or depend on electricity.

As a typical example Castell cites the common processing problem of directing a chemical feed through two alternative filters. The two filters are each provided with plug cocks to cut them out of action, but it is vitally important that one filter is not stopped off for maintenance before the other is cut in.

Castell suggests the fitting of interlocks, where the key must be trapped before the cocks can be closed for work to be done on the filter. This key is removable only when the cock is open and this procedure locks the cock in that position.

Two changes are used, one applying to each of the filters. Also provided is a four-lock key exchange box in which two keys are always trapped. Before the two keys of one symbol can be released the other two must be inserted and turned, they then become trapped. This ensures that at least one filter must always be in commission and the other may then be closed down for maintenance work to be done.

A simple interlocking system of this kind can be quickly installed and eliminates human error from many chemical transfer operations which are potentially hazardous.

Castell Locks, Kingsbury Works, Kingsbury Road, London, NW9 8UU. 01-205 0055.

Deterrent for the nimble fingered

SOPHISTICATED EQUIPMENT used in schools and colleges is attractive to professional thieves and juvenile opportunists in all parts of the country. Following numerous forced entries to their buildings, schools in a number of education authorities, including Avon, Buckinghamshire and Cambridgeshire, have introduced anti-theft measures which include the use of security marker pens, made by Volumatic of Coventry.

Portable laboratory and office equipment is marked with a special ink visible only in ultra violet light, and a brightly coloured label is fixed to each article to warn thieves that a security system is in use.

The deterrent value of Volumatic security markers has proved to be considerable, but when marked articles have been stolen and subsequently recovered by the police, exposure to ultra violet light has instantly identified the mark of the owner.

Volumatic security markers cost less than £2, and contain enough ink for thousands of marking applications. The ink dries invisibly upon all types of plastics, on wood and metal and on materials which would be spoiled by indelible dyes—porcelain, jewellery and furs.

Volumatic, Taurus House, Kingfield Road, Coventry.

● BANKING

Big Danish decision

IN THE FACE of fierce competition from Datasaab, IBM Philips and NCR, Olivetti has won its biggest order ever.

Worth in excess of £23m it was placed by the Danish Savings Banks following a study of the merits of most of the major European and American systems.

Olivetti will supply over 4,000 concentrators and terminals, for delivery in 1981-83, to be installed in over 100 savings banks controlling 1,000 agencies. The system will replace the present installation supplied by Datasaab in the early 1970s.

Based on real-time distributed information processing and with exceptionally high levels of adaptability and security, the new terminals are a generation ahead of the current market, Olivetti asserts.

It was this factor, together with the economic and organisational development programmes of Olivetti that helped in the unanimous decision taken in favour of the company by the Council of Administration of the banks.

British Olivetti, 30, Berkeley Square, London, W1X 6AH. 01-629 8807.

● MATERIALS

Multi-use mortars

FIVE EPOXY mortars, each designed for specific applications in building, civil engineering or maintenance, are now being marketed by Sealocrete Products, Atlantic Works, Oakley Road, Southampton SO9 4FL (0703 777331). The range covers materials formulated especially for use as toppings, renderings or patch repairs on horizontal, vertical and overhead surfaces.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
1st qtr.	107.0	102.2	99	106.4	246.4	1,409	188
2nd qtr.	110.8	104.5	95	107.9	254.4	1,367	213
3rd qtr.	111.5	105.1	103	110.7	266.6	1,380	213
4th qtr.	109.7	102.5	113	111.7	273.0	1,340	230
Nov.	109.5	103.5	130	110.5	269.7	1,339	231
Dec.	111.2	93.4	112	113.8	279.8	1,321	231
1979							
Jan.	103.0	103.8	83	109.6	273.1	1,339	236
Feb.	110.4	110.5		110.4	275.4	1,363	231
March				110.5		1,350	236
April						1,311	250

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
1st qtr.	105.2	98.8	116.3	99.9	96.6	98.0	17.8
2nd qtr.	108.0	98.1	122.4	99.7	107.4	101.2	27.1
3rd qtr.	108.0	99.7	123.2	100.8	101.2	103.8	23.0
4th qtr.	105.3	96.7	123.4	96.4	97.6	101.7	20.2
Oct.	105.0	96.0	121.0	96.0	97.0	100.0	24.5
Nov.	106.0	96.0	123.0	95.0	93.0	104.0	20.7
Dec.	106.0	98.0	126.0	98.0	102.0	101.0	15.5
1979							
Jan.	100.0	91.0	117.0	91.0	77.0	95.0	10.1
Feb.	104.0	101.0	129.0	101.0	101.0	100.0	12.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
1st qtr.	119.6	113.8	−590	−361	−620	105.4	20.63
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.75
3rd qtr.	124.9	114.4	−365	− 49	−501	105.7	16.55
4th qtr.	125.1	112.8	− 1	+359	−480	106.7	15.77
Nov.	122.6	114.1	−108	+ 12	−162	107.3	15.67
Dec.	126.7	113.0	+ 67	+187	−183	106.8	15.69
1979							
Jan.	113.1	107.3	−119	+ 1	− 60	107.7	16.26
Feb.	Not available due to industrial dispute						16.62
March							17.45
April							21.47

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,373	6½
2nd qtr.	8.5	15.7	24.5	+2,852	694	1,506	10
3rd qtr.	16.6	5.5	8.6	+517	746	1,541	10
4th qtr.	9.7	9.7	8.8	+1,523	878	1,576	12½
Nov.	12.1	10.6	9.9	+143	261	561	12½
Dec.	9.7	9.7	8.8	+826	254	507	12½
1979							
1st qtr.	14.7	12.0	32.8	+1,702	777		13
Jan.	13.8	16.5	21.3	+896	289	525	12½
Feb.	21.5	20.3	24.1	+1,068	231	531	14
March	14.7	12.0	32.8	−262	257		13
April							12

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
Nov.	136.1	147.3	157.1	202.5	207.9	263.63	62.5
Dec.	138.0	148.2	158.3	204.2	210.5	257.69	63.2
1979							
1st qtr.		152.2	161.5	208.9	218.8	268.83	64.4
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.5
Feb.	141.0	152.0	161.7	208.9	218.7	267.36	63.7
March		153.8	162.9	210.6	220.2	268.83	66.1
April						277.11	67.1

* Not seasonally adjusted.

motions signal a victory ... member of NATO. But it called for Holland ... York, N.Y. and at additional ... centres.

هكذا من الأصل

Times-NGA agree talks on compromise offer

BY CHRISTIAN TYLER, LABOUR EDITOR

A MEETING between the Times and the National Graphical Association, the first since talks broke down on April 12, was agreed yesterday.

Mr. Les Dixon, president of the NGA, *accepted a formal* invitation from Mr. "Duke" Hussey, chief executive of Times Newspapers, which was delivered to the NGA's Bedford offices yesterday.

The day and place of the meeting were not disclosed, but Mr. Dixon said the meeting would be "urgent."

Mr. Hussey will put forward a new formula for the introduction of computer-linked keyboards, probably based on the compromise whose details emerged on Monday.

The Times says that the NGA would be given sole control of the keyboards for original material, but journalists should be able to deal with corrections *and changes—the sub-editing process—on "live" visual display terminals.*

After two-and-a-half years, there would be a review involving the company, the NGA and the National Union of Journalists. *There would be no preconditions attached to this review.*

This removal of any prior commitment is the main element of compromise. It was not clear yesterday whether the company had also dropped its insistence that telephone sales girls in the classified advertisement department should also type directly into the computer during the trial period. There is no mention of the tele-ad staff in the formula.

So far, the NGA has insisted that all keyboard work should be done by its members when the Times and Sunday Times go over to computer setting. It has resisted sharing with sub-editors *on the grounds that a large part of compositors' work is in correcting copy.*

There is still considerable bitterness within the NGA, and also among the NUJ journalists on the Times who helped arrange the new talks, about the company's largely-unsuccessful attempt to print an overseas weekly edition in West Germany.

Plans for the weekly—which the company has long wanted to produce—are in abeyance while the new approach is tried.

A spokesman for Times Newspapers confirmed yesterday that the several thousand copies of the first issue that have been printed were not produced on the picketed Turcueman presses in Darmstadt, near Frankfurt.

The manager of Turcueman, a Turkish-language newspaper, said yesterday he believed the limited edition had been printed somewhere in West Germany but the Times will not disclose the new site, in case it decides *to print further issues there.*

Disputes at TV magazine settled

TV TIMES' management said yesterday that it is now looking forward to returning to normal publication after a long period of disruption, although copies will not be available this week.

During the past five months more than 25m copies of TV Times and £4m in advertising revenue has been lost as a result of disputes. One involved the National Graphical Association at Eric Bemrose, Liverpool, and the other, TV Times National Union of Journalists members. Distribution was also hit during the lorry drivers' strike.

Discrimination case victory

AN INDUSTRIAL tribunal yesterday upheld a claim by two women cleaners at the Daily Express in Manchester that they had been discriminated against on grounds of sex.

The women, part-time cleaners, were not offered general cleaning vacancies. The Express said the objection was on the grounds of modesty and privacy.

Reporter in picket line attack freed on appeal

FINANCIAL TIMES REPORTER

JOURNALIST Stephen Peter McKenlay, aged 22, jailed a week ago for attacking a policeman during a picket line flare-up in Bristol, was freed by the Court of Appeal in London yesterday.

McKenlay, who had head-butted the policeman after leaving the picket line at the Bristol United Press building, had the balance of his three-month sentence suspended for two years.

Mr. Justice Watkins said McKenlay got his "just desserts" when he was jailed by Judge Peter Fallon at Bristol Crown Court for assaulting PC Jonathan Mattick, causing him actual bodily harm.

The judge added: "On the other hand, it is true to say that we are dealing with a young man of good character and of promise in his chosen profession.

"We have no desire to halt a promising future or to see it damaged irreparably. He has now spent eight days in custody and if that doesn't teach him a lesson, nothing will."

McKenlay was arrested on January 8 during the provincial journalists strike called by the National Union of Journalists. He was one of a number of journalists who left the picket *line to seek to prevent newspaper vans entering or leaving* the Bristol premises.

The judge said it should be clearly understood that being part of a picket does not confer any right upon a member of that picket "to behave unlawfully against property or any person —such as a police officer—who has a right to go about his business unmolested.

"We wish to make it perfectly plain that this court sets, or endeavours to set, standards which should be followed, especially in cases where violence is offered and perpetrated upon the police."

McKenley's counsel handed testimonials to the court from the editors of the Stafford Newsletter — McKenlay's previous employers and the Western Daily Press at Bristol.

Both editors praised McKenley's abilities, but the Bristol editor said the reporter's future at Bristol was undecided at the moment.

Teachers' pay may be hit by action

By Michael Dixon, Education Correspondent

A LOCAL education authority yesterday warned members of the second biggest teachers' union that they would lose pay if they carried out their threat to work a strict five-hour day from Tuesday onwards.

The warning by the Northamptonshire authority came as the 112,000-member National Association of Schoolmasters and Union of Women Teachers prepared to exacerbate the disruption of schools in England and Wales already resulting from other unions' action.

Schools in about three-quarters of the 106 local authority areas were affected yesterday as the 258,000-member National Union of Teachers continued to extend its withdrawal from non-teaching work.

In addition, many children were sent home at lunch time when members of the 85,000-strong Assistant Masters and Mistresses Association walked out for the afternoon as a "short, sharp protest."

Comparability

Both unions already taking action are *angry over the* Government's blocking of a reference of the teachers' 36.5 per cent pay claim to the Pay Comparability Commission.

But the five-hour day threatened by the NAS-UWT has a different target. This union opposes reference of the claim to the Comparability Commission, and wants the pay dispute sent instead to normal arbitration.

Mr. Terry Casey, general secretary of the NAS-UWT, has said he will take to court any local authority which cuts his members' pay because of the five-hour working.

He believes that a "contractual" working year of 190 five-hour days has been legally established for schoolteachers.

Last year his union pressed many education authorities into declaring that lunch-break and after-school activities were not part of teachers' contractual duties. A similar ruling was also made recently by Lord Denning in the Court of Appeal.

Electricians support concordat after appeal by Chapple

BY ALAN PIKE, LABOUR CORRESPONDENT

DELEGATES to the Electrical and Plumbing Trades Union conference at Brighton yesterday endorsed the concordat between the Government and TUC.

But at Eastbourne, the Amalgamated Union of Engineering Workers national committee unanimously re-affirmed the union's policy of "total opposition to wage restraint policies." Delegates instructed the executive to stand by this policy in any discussions with the Government and at the TUC and Labour Party conferences later this year.

The 10-day national committee meeting ended with delegates declaring their determination to see a Labour Government returned today.

At the EPTU conference delegates outvoted a motion from the London Airport branch expressing total opposition to any attempt to impose guidelines in wage awards outside the normal process of bargaining between unions and employers.

The conference carried an executive motion welcoming the concordat and urging unions and Government to co-operate in producing a policy which would lay foundations for economic prosperity in the 1980s.

Mr. Frank Chapple, general secretary, said that if a Labour government was elected it would expect, require, and need the trade union movement to honour the concordat. "It is not going to be sweetness and light all the way. It is going to be painful.

"But just as the Government cannot put all the nation's ills right on their own neither can a single union like our own."

Mr. Chapple warned that if the free collective bargaining motion was adopted delegates would be back in two years' time debating the effects of astronomic inflation. "Free collective bargaining—apart *from* its effect on unemployment and the economy—has never worked as an instrument of justice. Those who say it does are really not looking facts squarely in the face."

Pay review delay angers doctors

FINANCIAL TIMES REPORTER

DOCTORS reacted angrily yesterday to the Government's decision not to publish a Review Body report on their pay before the general election.

A British Medical Association spokesman said: "It is a disappointment that the outgoing Government has decided, after all, to postpone publication.

"As soon as the new Government is known, we shall renew our pressure for immediate publication and for implementation of this year's phase of the award, with updating.

"We are equally concerned to see the Review Body pricing of the proposed new consultant contract so that there can be full consultation and discussion among the profession as quickly as possible."

The doctors, who are reported to have asked for pay rises of about 20 per cent, had hoped *the Government would publish* the report so that they could receive their increases without delay. Last year's award gave them rises of 30 per cent, to be paid in phases by 1980.

Mr. David Ennals, Health Secretary, said the Government had not had time to give the report the full attention it required.

Steel men reject action

MORE THAN 3,000 members of the Amalgamated Union of Engineering Workers at the British Steel Corporation plant in Corby, Northants, are refusing to start a national overtime ban in pursuit of a wage claim.

They say that stopping overtime will cripple steelmaking, which is planned to be phased out at the plant at a later date as part of a BSC ecooomy

Sir Donald Barron to join FFI Board

Sir Donald Barron

Sir Donald Barron, chairman of Rowntree Mackintosh, has been appointed to the Board of FINANCE FOR INDUSTRY (FFI) from June 1.

★

Dr. R. K. Laird, head of the corporate research and technology department at the headquarters of IMPERIAL CHEMICALS INDUSTRIES in London, has been appointed director of ICI Corporate Laboratory at Runcorn in Cheshire. He will take up his new position in December on the retirement of Dr. D. G. Jones, who has been in charge of the laboratory since 1970. Dr. Laird joined the ICI group in 1950.

★

Following the acquisition by BURRUP MATHIESON & CO. (HOLDINGS) of the specialist printing division of Tridant Group Printers, **Mr. Peter W. Barker**, managing director of BURRUP, has been appointed chairman of Shaw & Sons, Lewis Coates & Lucas, and Holbrook & Gration. Burrup is part of the Extel group.

★

Mr. C. W. G. Allen and **Mr. D. J. Connolly** have been appointed to the Board of HILL SAMUEL AND CO.

★

Mr. Brian P. Shaw is to become chairman of FURNESS WITHY & CO. and **Sir Ralph Batement**, deputy chairman, after the annual meeting on June 28. Sir James Steel, the present chairman, and Mr. Geoffrey N. A. Murrant, deputy chairman, retire from the Board on that date. At the same time Mr. R. B. Stoker retires by rotation and will not seek re-election as a director. Mr. Shaw will continue as managing director as well as taking over the chairmanship of the company. Sir Ralph will be remaining non-executive.

★

Mr. R. W. Love has been appointed to the newly-created position of head of taxation, FISONS.

★

The Secretary for Employment has appointed **Mr. Noel Bond-Williams** as chairman of REMPLOY for two years. He succeeds **Mr. Allen Greenwood**, who has been chairman since 1976. Mr. Bond-Williams is replaced as vice-chairman by **Mr. Leslie Pincott**, who was managing director of Esso until he retired from that post in 1977.

★

Mr. John Jebb, senior executive, treasurer's department, international banking division has been appointed to the new post of chief international executive, special funding projects, international business, NATIONAL WESTMINSTER BANK. **Mr. George Cathles** has become head of strategic investments, international business. His successor as chief international executive, UK banking operations is **Mr. Robert Angus**, chief international executive for Asia and Australasia/Africa. Mr. Angus has been replaced by **Mr. Roger Flemington**, senior international executive, UK region of international banking division.

★

Mr. H. B. Stokes has been appointed group director, personnel and industrial relations, on the Board of GEO. BASSETT HOLDINGS since 1974. Mr. Stokes has been manufacturing director of Airfix Industries (Meccano).

★

Mr. A. H. Farquhar has retired as senior partner of BINDER HAMLYN and has been succeeded by **Mr. Peter Lane**.

★

Mr. Francis Bennion has resigned from the chairmanship of the STATUTE LAW SOCIETY. **Mr. H. H. Marshall**, a founder member of the council, has consented to serve as chairman for a limited period.

★

Mr. Richard Lovell has been appointed group marketing manager for LEX TRANSPORTATION.

★

Mr. Adrien Petit, chairman and director of C. Brandauer and Co., has been elected president of the INSTITUTE OF MANAGEMENT CONSULTANTS *in succession to Mr. John* **Bullock**.

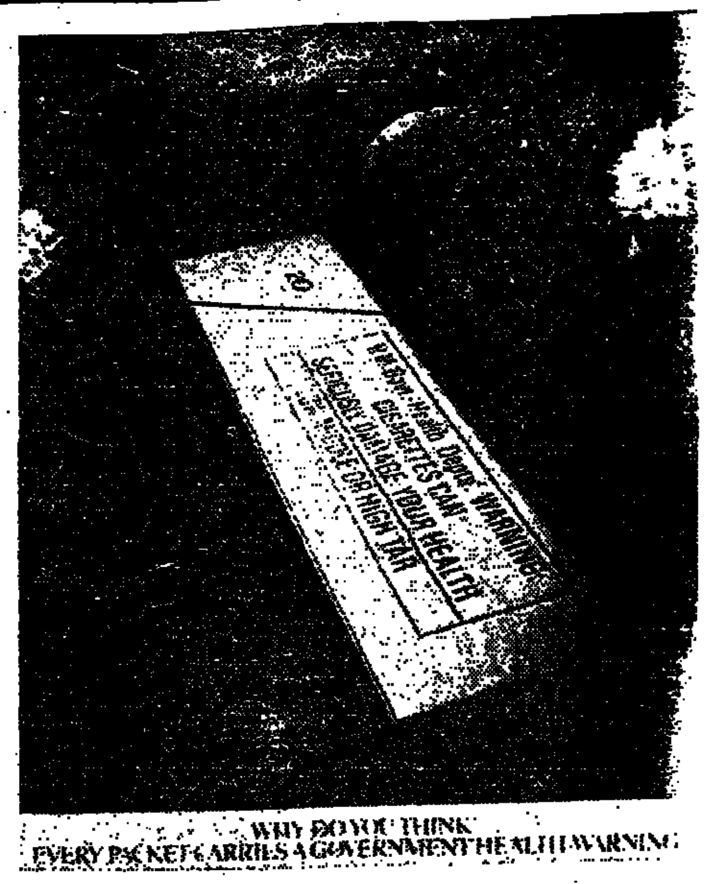
★

Mr. Colin Briars has been appointed marketing director of OTTERMILL, a member of Westinghouse Electric Group.

★

Mr. Lionel Altman, managing director of EMRAY, has been appointed chairman.

ADVERTISING and . . .



Left: This Victory V advertisement for Barker and Dobson has won the 1979 poster award from the Designers and Art Directors Association. The agency was Boase Massimi Pollitt Univas. Top-voted public service poster was Hall Advertising 'Grave' (right) for the Scottish Health Education Unit. The D & AD exhibition is currently on show at the Central School of Art, Southampton Row, London, and will later go to Edinburgh, Seoul, Hong Kong, Kuala Lumpur, Melbourne and Sydney.

Charles Barker raises income 31%

BY MICHAEL THOMPSON-NOEL

THE UK ADVERTISING boom, which some may view as a sympton of the international communications glut, continues to weave a magic spell over the results of Adland's top groups. One of the biggest is Charles Barker ABH International, whose dogged growth over the *past decade has given it a large* stake in consumer, corporate, financial, recruitment and technical advertising as well as PR and management selection.

The group has just reported some very bullish figures. Total income in 1978 rose by 31 per cent to £6.93m. Profit before tax and extraordinary items more than doubled to £921,000 from £421,000 in 1977. After tax, dividends and other items, the amount retained to finance future growth was £211,000 against £72,000, says chairman Julian Wellesley.

On current form, he expects turnover this year to reach £52.7m against £44.5m.

Charles Barker ABH International operates through a joint venture holding company, Ayer Barker Hegemann International, owned one-third by itself, N. W. Ayer of the U.S. and the Hegemann agency in Germany. The network's major coup last year was wresting Pan Am's international $30m advertising account.

The major contributor to advanced income at Charles Barker in London last year was Charles Barker Recruitment. Benefiting from a cyclical upturn in the recruitment market and attracting more than 50 new clients, it produced a turnover of £9.2m and raised its income by 64 per cent.

Ayer Barker Hegemann, the group's consumer advertising agency and its largest division, *increased its billings by 30 per* cent to £12.2m. Apart from Pan Am, new clients included Avon and Mercedes Commercial Vehicles.

Charles Barker City, the leader in UK corporate and financial advertising, is aiming for a turnover this year of £10.2m against £8.3m. And Charles Barker Lyons, described as Europe's largest PR consultancy, improved its fee income at a net annual rate of more than £200,000 to over £1.2m. It expects an 18 per cent increase in revenue this year.

In his review, Mr. Wellesley refers to the way in which companies are "inexorably becoming less free to market their products and services."

He says there has never been a greater need for large organisations to ensure their policies are understood by employees, customers, suppliers, investors and those who influence them.

Openness is becoming an objective in itself. "At the same time, social attitudes and values are becoming more fluid."

He says it is becoming increasingly difficult to draw a line between the obligation to recognise and observe the social climate, and on the other hand the need to resist fundamentalist attacks on the concept of competitive marketing which may be politically motivated rather than by concern for the consumer.

"In any situation of restriction on brand marketing, the perceived character of the manufacturing company will become increasingly important: the less a company can say about its product the more it needs to say (or make known) about itself."

He forecasts a much greater need for the integration of brand marketing, PR, personnel and finance.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

The Conservatives' use of full-scale media advertising reflects wider background trends in the way advertising is being used. MICHAEL THOMPSON-NOEL explains

A brand by any other name . . .

WILL MRS. THATCHER win the election? Were her chances helped or hindered by the advertising campaign on which the Conservatives chose to spend a sum variously estimated at up to £2m? Was that astonishing Conservative election broadcast—the one that parodied a track and field meet—worth a fraction of its cost? Is the UK electorate anywhere near the stage where it wants its politics packaged and cosmeticised à la Saatchi?

By late tonight, the swingometers may have started to provide part-answers to questions like those, but the Tories' use of advertising in the election campaign has at least reinforced the obvious: that advertising is merely a form of communication; that selling is selling and that at the salesman's level there is very little to distinguish a political message from a bar of soap.

There is nothing static about advertising, as a look at its users and uses and aims and motives testifies. There is no reason, for example, why at some point in the middle-distant future, industrial relations disputes will not be waged and settled almost exclusively via the medium of advertising (there is nothing cost effective about a full-blown strike).

The tables printed here tell part of the story. They were compiled by Media Expenditure Analysis and are quoted by Brian Downing, marketing director of Mirror Group Newspapers, in the April issue of Admap.

At the brand level, the most-heavily advertised names in Britain ten years ago included Ariel and Radiant and Persil and Weetabix and Kellogg's Corn Flakes and Stork and Daz. Not one of them featured in the MEAL Top 25 in 1978. Instead, the emphasis had switched to the retailers, so that the most heavily-advertised brands today are dominated by names like Boots and the Co-op and Woolworth and Tesco.

The changing face of advertising shows up most clearly when one looks at product groups, where department and retail stores, which ranked third in 1969, now rate No. 1. In constant money terms they spent 173 per cent more on advertising last year than they did in 1969. Motor car advertising is up substantially (155 per cent in constant terms). So is spending by chain grocers and the Co-ops, and by direct response and mail order businesses. Chocolate confectionery is roughly holding its own, though in order of rank it has fallen from second to fifth.

Among categories, the "prestige, corporate and other industrial" group is making headway. It's now eighth, ahead of cigarettes and only fractionally behind beer. In 1969 money terms, spending in the corporate category improved by only 45 per cent between 1969 and 1978, from £4.8m to £7m, but it is a category that is bound to continue expanding, particularly given the pressures on brand advertising referred to on the previous page.

According to Mr. Downing: "It is interesting to see among the top 25 products a bank, in this case the Midland. The whole financial area has taken on a totally different complexion since the days of the marble mausoleums and is now very much a High Street business aimed directly at the mass market."

In 1969, Government departments and Services recruitment were the overall top-ranked category with a spend of £13.6m. Last year this category fell to sixth place. Although it accounted for £27.2m worth of advertising expenditure, that sum was only worth £9.5m in 1969 terms.

There is nothing untoward in all this. It doesn't indicate the demise of manufacturing industry or even of life as we know it. It merely indicates the changing uses to which advertising is put.

In any case, it is unprofitable to stress the speed of such change. Harry Henry, for example, of the Cranfield School of Management, argues that although there are changes at work, most happen only slowly. The reason for this, he told the Admap conference in Paris last autumn, was that while advertising policies in individual product fields and among individual companies did change, and often quite rapidly depending on different marketing situations, alterations in the relationship between advertising pull and merchandising push, changes in fashion, changes in the applied skill of different media salesmen and so forth, there appeared to be a sort of providence at work that kept the general picture relatively stable.

"If you don't like the theological concept of providence intervening in this, think of it in psychological terms as a collective unconscious, which might in any case be a better way of describing how so many advertising decisions are taken."

MOST HEAVILY ADVERTISED PRODUCT GROUPS, 1969

	1969 (£'000)	1978 (£'000)	1978 expenditure at 1969 prices (£'000)
1. Govt. Depts. and Services recruitment	13,613	27,165	9,476
2. Chocolate confectionery	10,967	27,764	10,350
3. Department and Retail Stores	10,792	86,805	29,449
4. Cigarettes	10,775	17,760	5,792
5. Washing powders (heavy duty)	8,122	7,278	2,727
6. Direct response/mail order	7,215	30,599	10,013
7. Beer	6,244	21,903	8,113
8. Home heat	5,715	9,414	3,308
9. Motor cars	5,234	38,962	13,351
10. Chain grocery and Co-op	4,989	30,942	10,631

Source: MEAL

MOST HEAVILY ADVERTISED BRANDS, 1978

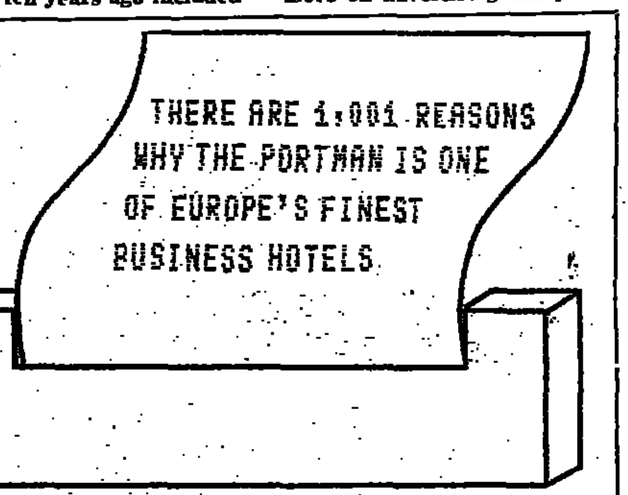
	1978 (£'000)	1969 (£'000)	1978 expenditure at 1969 prices (£'000)
1. Boots	6,704	265	2,247
2. Co-op national	4,586	1,004	1,600
3. Tesco	4,548	438	1,561
4. Woolworth national	4,497	317	1,594
5. Co-op local	4,266	1,410	1,419
6. Currys store	3,689	318	1,235
7. MFI furniture centre	3,492	209	1,162
8. Williams furniture store	2,669	14	974
9. ASDA	2,632	—	931
10. C & A	2,649	1,465	885
11. Allied Carpet store	2,455	124	878
12. Fine Fare	2,441	539	838
13. Esso corporate	2,436	42	897
14. Comet warehouse	2,409	19	786
15. P.O. call stimulation	2,293	935	861

First motorised pocket camera introduced by Agfa-Gevaert

AGFA-GEVAERT, which says it is Europe's largest photographic company, is introducing the world's first motor pocket cameras, the Agfamatic 901 and 901E, in Britain over the next month. Agfa is staging its biggest ever British promotion, a £650,000 package that includes national TV advertising.

Agfa is seeking to consolidate its position in the £350m UK consumer photographic market, particularly *viz a viz* Kodak. Managing director Gustav Ahrens says Agfa's total UK turnover last year (not only in consumer sales) was £50m.

The Agfamatic 901 will retail at around £32, bringing it to within mass market range. Agfa's TV campaign, for which more than £500,000 has been allocated, starts with a 30-second spot during the FA Cup Final and continues until July 20 in all ITV regions.



JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

Ups and downs • Six opportunities abroad

BY MICHAEL DIXON

IT IS a pity that job-protecting immigration controls have pulled so much since somebody wrote "Go west, young man," in the newspaper of Terre Haute, Indiana, 128 years ago. For the phrase would still seem sound advice to ambitious managerial types, according to latest reports on demand for executives in the United States and the United Kingdom in the first quarter of this year.

Economic forecasts in both countries are on the gloomy side. But in the case of the U.S., that merely heightens the breeziness of the commentary on the manager-market, lately published by New York-based accountants Arthur Young.

Over there January-March showed "nationwide" demand for executives up 17 per cent on that of the corresponding quarter of 1978. General managers enjoyed the greatest increase: 72 per cent in terms of Arthur Young's index which is based on systematic sampling of job advertisements in major American business publications.

Specialists in production and analagous operations did next best with a rise of 58 per cent. The only category of U.S. managerial workers to suffer a fall in demand was engineering and science executives. Their index showed a 28 per cent drop from the position of the opening quarter of last year.

For managerial types working in the UK, however, there is no such comfort from the MSL Index which is based on job advertisements appearing over here. Even when adjustment is made for the regrettable non-appearance of the The Times and Sunday Times, the best that MSL can show is a fall in demand for managers and comparable specialists of about 7 per cent from the level of January-March last year.

One can almost hear the recruitment consultancy's managing director, Garry Long, gritting his teeth as he commented:

"Of particular note was the decline in the number of sales appointments, a category whose movements usually foreshadow other economic trends in the country."

And the Long face no doubt grew longer still as he added that, if demand were to continue in the cyclical pattern shown by the index since it was instituted in 1959, "the duration of the present downswing is likely to exceed two years."

But where the fortunes of readers of this column are concerned, the gloom of G. Long has not altogether disheartened me.

I still refuse to accept that history necessarily rules over the future to the extent that previous trends will be repeated regardless of decisions *such as those to be made in the UK elections today.* "If you don't like your life, you can change it," said H. G. Wells. And while most of us do not seem to have been all that successful at doing so recently, I insist on hoping that we may be soon—although mainly, perhaps, because it's my birthday.

Any much firmer grounding for the resistance-to-pessimism on readers' behalf is denied by the U.S. and the UK indexes' evidence on the state of demand for managers from those countries to fill jobs elsewhere in the world.

Here denizens of the UK might find reason for churlish glee at the expense of their American counterparts. As exhibited by the Arthur Young index the overseas demand plummeted by 36 per cent in January-March from the level of the final quarter of last year. Over the same period the international call on the UK market rose by more than 40 per cent.

But the first quarter's overseas demand for Britons was nevertheless 16 per cent lower than that of the first three months of 1978. Mr. Long observes that three fifths of it was made up of jobs in engineering and activities related to construction, although the balance was moving from primary building work to the secondary stage of development.

About three fifths was also made up by jobs in the Middle East and Africa. But Western Europe showed a surely welcome perkiness with a 10 per cent share of the total.

Brussels

AS IT HAPPENS Western Europe—precisely, Brussels — is the base for the first three specific offers today. All are in training, and are being brought to market by Geoffrey King of Cambridge Recruitment Consultants.

Since he may not name the employer, he promises to honour any applicant's request not to be identified to the client until specific permission has been given. (The same goes for the other head-hunter mentioned later.)

Mr. King's trio are needed to set up effective training programmes connected with a new sophisticated product line from a U.S.-based multi-national. One will be a sales training manager concerned with programmes to teach fellow employees how to sell the product. The second will be a product training manager concentrating on ways of training buyers how to use it. Both will be paid the equivalent of £20,000.

The third will be in charge of the others, entitled international marketing training manager, and paid upwards of £25,000.

All will be applying the training world-wide, and so will travel considerably. All will need familiarity with the marketing of electronic systems of high capital cost. All will have first-hand knowledge of preparing and running associated training programmes. And may the best person be the leader of the team.

English is the only language deemed essential. But fluency in other tongues would help. Written applications only, outlining career, should be sent to Mr. King at 1a Rose Crescent, Cambridge CB2 3LL.

Mixed batch

FINALLY here is a batch from head-hunter John Fulford of Grosvenor Stewart. Written applications to him at 15 Tilehouse Street, Hitchin, Hertfordshire, or by telex to 25102 Chacom G; GS.

The first job, based in Switzerland, is for an employment manager at the "regional" headquarters of an American-owned pharmaceuticals group, dealing with recruitment and development of management in Europe, Africa and the Middle East.

At least five years experience in a similar role is required, the age indication being 30-early 40s. And while the group would prefer a British recruit, the job will require skill in coping with sceptical line managers of various nationalities.

English is the only essential language. Pay of SF 65,000 to give living standard equivalent to UK £12,000-£14,000.

Irish candidates would have and advantage in Mr. Fulford's second job, for a director to run the consumer-related operations of a technically advanced market research agency in booming Dublin. Copious experience in the same field is required.

Responsible to the agency's managing director, the newcomer will have half a dozen staff. Salary £ (Irish) 12,000 or so. Perks include prospect of equity share.

Last in the Grosvenor Stewart batch is a distribution manager's job based in Frankfurt with a big U.S. group in scientific instrumentation and the related software. Products are made mainly in the U.S. and the Far East. The recruit will be responsible for shifting them safely and quickly, often by air, to and from distribution centres and to customers in Europe, the Middle East and Africa.

Experience of large-scale, international and computer-aided physical distribution systems is essential. So is fluency in English and German. Age indicator 30-40. Salary equivalent to £25,000.

There will be no Jobs Column on Tuesday.

A large and long-established internationally operating company, manufacturing and marketing fast-moving consumer goods and having a number of plants in Indonesia, invites applications for the position of

GENERAL MANAGER

The person we are looking for must be:
—an Indonesian national, between 40 and 45 years of age;
—preferably a university graduate or equivalent;
—familiar with international business, attitudes and practices;
—at least five to ten years' experience in a senior management position, preferably with experience in all areas of management with emphasis on one or more functions, with large national/international company;
—fluent in written and spoken English.

The successful candidate will report to the Board of Directors and work in close co-operation with the company senior managers.

His responsibilities include:
—to initiate corporate planning for approval by the Board;
—to direct all company activities, and to ensure the achievement of company objectives;
—to maintain relationships with the government, industry and the public.

Conditions of employment are excellent. A very attractive and generous remuneration package will be provided for the successful candidate. Fringe benefits will be fully in line with the expectation of such a top management appointment in internationally operating companies operating in Indonesia.

Persons who consider they have the desired qualifications and proven successful record of achievement in their career to date, are invited to forward their letter of application in English, together with a detailed resumé of their career development, highlighting their qualifications, experience and current earnings, together with a recent photograph soonest to the following address:

Institute for Management Education and Development
Selection Department, 9 Menteng Raya, Jakarta

MERCHANT BANKING — £7,000-£10,000

A number of our clients are seeking recently qualified accountants for their Corporate Finance Departments and young Bankers with at least two years' relevant experience for their Corporate Banking Departments. As the appointments offer opportunities for entry to first class British and U.S. banks and are mostly concerned with the marketing and negotiation of loans to U.K. or International Companies, only candidates of high calibre with good academic qualifications should apply.
Please write or telephone:
T. C. H. Macafee, Beresford Associates Ltd., Cross Keys House, 56, Moorgate, London, EC2R 6EL. Tel: 01-628 7646/7.

Treasury Management
Oil Industry
London, SE1 c.£8,000

Conoco requires two young Qualified Accountants, preferably graduates, with some commercial or industrial experience, to lead sections of its U.K. Treasury Department.

The opportunities, which have both arisen as a result of internal promotion, involve a high degree of decision making in the financial field. One will be primarily responsible for forecasting and managing the company cash flow position and the other will work closely with the Marketing Division in appraising, monitoring and authorising Marketing investments.

We shall be looking for accountants who have the ability and confidence to back their own judgement given the risks inherent in a major oil company's business.

In addition to a competitive salary we offer benefits which include a non-contributory pension scheme, interest free season ticket loans, £1 per day L.V.'s, 4 weeks annual holiday and pleasant working conditions in our modern head office close to Blackfriars and Waterloo stations.

Please write with full career details and salary progression, to:

Mr. Keith Williams, Personnel Officer, Conoco Limited, Conoco House, 230 Blackfriars Road, London SE1 8NR.

conoco
CONOCO LIMITED

Agency Director
(Designate)

Age c30/35 London W1.

A small, well founded and recognised advertising agency, our client's business is profitable and growing in line with pre-determined targets. It is now necessary to enlarge the management team to service further expansion, aimed at doubling current billings within a realistic period.

An experienced Account Executive with a medium sized f.m.c.g. biased agency will find this opportunity attractive. Previous involvement in total marketing activities is considered essential and there must be a demonstrable record of new business success.

Contributing immediately to policy formulation and the development of the firm, personal performance will be the sole criterion determining an appointment to the Board inside 12 months, with an equity stake.

Salary is not a critical factor but initially will be *negotiable in the £10,000/£12,000 p.a. range.* There is a car and other benefits.

In the strictest confidence, please write briefly in the first instance to: Peter Rolandi, (Ref 948) Managing Director.

Alliance Management Consultants Ltd.
84-86 Baker Street, London W1M 1DL
Tel: 01-487 5761 (24 hours)

Alliance

AGRICULTURAL TRAINING BOARD

Director

to succeed the present incumbent who is retiring

The Board's services embrace 600,000 people in the agricultural and horticultural industries. In harmony with national policy, its task is to maintain and improve training standards and manpower planning, develop new concepts and provide comprehensive plans for the training of the manpower in the industries for which it is responsible. The Board enjoys a high reputation for its progressive and practical policies.

The Director advises the Board, implements its policies and directs its training and other support staff. In collaboration with the Chairman he/she also represents the Board at top official level with the industry's organisations (including agricultural education) and also with the Ministry of Agriculture and other Government bodies.

The post requires a combination of intellectual breadth, personal stature, business acumen and a strong management record.

Candidates aged up to 55, of graduate level and with backgrounds of distinction and repute, must have had substantial managerial/financial experience at a senior level in industry or the public sector. Some experience of agriculture would be an advantage.

Starting salary negotiable in the range £13,500 - £14,500 plus car, contributory pension scheme and other benefits. Location- Beckenham, Kent but some travel to keep in touch with all levels of the industry is involved.

Please write, in complete confidence, giving career and salary details to:

ATB
Sir George Huckle, O.B.E., Chairman, Agricultural Training Board, Bourne House, 32/34 Beckenham Road, BECKENHAM, Kent, BR3 4PB.

ERI
Specialists in recruitment for the Middle East

Financial Controller

The Gulf **c £17,000 tax free**

- This career appointment is with a well established and diversified company based in the Gulf.
- The Controller will report directly to the Chief Financial Executive and be responsible for establishing and operating budgetary control for all company sectors and for monitoring their performance. He will also provide accounting assistance in investment and capital expenditure appraisal.
- Candidates probably aged 30-45 should be qualified accountants (ACA: ACCA: ACMA) who have wide financial and commercial experience and who can fully contribute to the overall effectiveness of the company operation. Previous overseas experience will be an advantage.
- In addition to generous basic salary benefits include bonus, free accommodation, car and generous home leave. Ref: 8/OB/FC

Please write, quoting reference and giving details of age, qualifications, experience, current salary and domestic circumstances to: Mike Lebbell, Executive Resources International, Management Consultants, 87 Jermyn Street, London SW1Y 6JD. Short list candidates will be notified within three weeks.

UNIVERSITY OF SURREY
APPOINTMENT OF
UNIVERSITY SECRETARY

The University invites applications for the post of *University Secretary and Clerk to the Council.* The present holder retires on 30th June 1979.

The University Secretary is one of the two senior administrative officers; his responsibilities include the administration of the University's finances, oversight of all its legal and contractual obligations, personnel management and the management of all domestic services and trading activities.

Applicants should have considerable administrative experience, preferably but not necessarily in the field of higher education.

The initial salary will depend upon qualifications and experience and will be not less than £14,000 per annum.
Superannuation under USS conditions.

Applicants are invited to write to
the Vice-Chancellor (Ref. SA), University of Surrey, Guildford, Surrey GU2 5XH;
from whom further particulars may be obtained.
Closing date: 18th June 1979.

Financial Accountant

London **c.£7,000**

For a young Chartered Accountant who seeks a responsible position at the small but well-appointed headquarters of a highly successful, professionally controlled international group, this opportunity would be second to none. The successful candidate, whether male or female, will report to the Chief Accountant and will be expected to be technically proficient, able to work and contribute well within a small but effective team, will be a self starter, analytical and able to communicate with Director level personnel. Apart from a certain amount of routine accounting work, the main duties will involve appraisal work, profit forecasting, budgets, standardisation of reporting procedures and many varied systems and ad hoc exercises that will assist the discerning but practical accountant to build a sound accounting and commercial base for their future career. Interviews will be held in London or in Walsall.

Telephone Walsall 614455 (24 hr. answering service) for an application form quoting ref. 527. Phipps Management Selection, Oriel Chambers, Bridge Street, Walsall, West Midlands WS1 1DP.

Phipps
Management Selection

Young Company Accountant

£7-8000+Car **South East**

This is a rare opportunity for a young qualified accountant to assume full accounting responsibility for an autonomous subsidiary of a major UK Group. The market has already been established and new manufacturing facilities are coming on stream during the year.

The person appointed will play a key role in the top managing team and will be involved in the total business activity of the operation. The ability to contribute in the short term is particularly important as is the requirement to design and install effective management information control systems.

Age range is likely to be 26/30; previous experience in a manufacturing and marketing environment will be an advantage. Brief but comprehensive *career details to G. J. Cassell,* New Appointments Group, Personnel & Selection Consultants, 5 Park Road, Sittingbourne, Kent. Tel: 0795 75431.

New Appointments Group
Personnel Consultants
nag

MIDDLE EAST
BUSINESS JOURNALIST

Based in London

International Business Information Service seeks experienced Middle East Specialist to join its London Bureau.

Send particulars to:—
Editorial Director,
Business International, S.A.,
12-14 Chemin Rieu,
CH-1211 Geneva 17, Switzerland.

Financial Controller

W. London **c.£12,500+car**

Our client is a privately owned group which is currently making a major impact in its sector of the travel industry.

As a result of its recent and project growth, a qualified accountant aged up to 35 is required to provide the Chairman and the Board with accurate and meaningful financial information. This is therefore an opportunity to play a constructive role in the management of a company operating in a fast moving and entrepreneurial environment where there are definite prospects of a Board appointment with the group which will continue to grow and diversify.

Please write with full curriculum vitae and daytime telephone number to John P. Sleigh, ACCA quoting reference JS/433/FCF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

هكذا من الأصل

Manager
Fire & Accident Insurance

This is an excellent opportunity to establish and develop the London-based subsidiary of an overseas insurance company which already has an outstanding growth record.

Candidates, probably aged over 35, should have 10 years experience in short-term insurance and be familiar with the British insurance market. Apart from overseeing the existing portfolio, the main responsibilities will be the management and future development of the subsidiary. An appropriate qualification such as FCII or ACII is very desirable.

Career prospects are linked to company growth and profitability. Fringe benefits are negotiable. Salary from £10,000 plus car.

Please send brief details – in confidence – to J. M. Ward ref. B.41367.

This appointment is open to men and women.

MSL — United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

DUBAI ALUMINIUM COMPANY LIMITED

DUBAL

Accountant Budgetary Control

Dubai is now constructing an industrial complex at Jebel Ali in Dubai, United Arab Emirates, which by mid-1981, will be producing 135,000 tonnes of primary aluminium per annum and 25 million gallons of desalinated water per day.

Competent people with relevant experience and a taste for demanding start-up situations are required to establish the company's operations on a sound basis. The first pour of aluminium is scheduled for October, 1979.

An experienced, qualified accountant, aged around 30, is required to co-ordinate the compilation of capital and operating budgets for the financial year. Main tasks are the control, analysis and improvement of the budgeting process.

Applicants will, ideally, have held a similar position in the metals industry including a period working overseas.

Tax free salary up to 95,000 dirhams (approx. 8 dhs. to £1). This is a career position on married or single status and benefits include free furnished accommodation, car allowance and a provident fund.

Please telephone (01-629 1844 at any time) or write – in confidence – for further information and an application form. P. A. Sandham ref. B.8744.

MSL — United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Marketing Executive

Salary £8,000 + Neg. + benefits

We are acting for a major transportation equipment leasing company whose success and expansion has been generated by a young aggressive marketing team. There is an opportunity to join this team to seek out and sell to new customers in addition to developing existing business.

Working from a central London base you must be prepared for travel, sometimes at short notice. You will be in your mid to late twenties, a natural salesman with initiative and tenacity. You will represent the Company at varying levels with customers and you must feel at ease with people in all environments.

If you have experience of selling in Eastern Europe, a knowledge of shipping and the ability to do business in a second language this would help, but the most important attribute is the ability to sell and the track record to prove it.

This is a rare oportunity to move into a stimulating company and interested candidates, male or female, should contact Richard Wilson, M.A. — Consultant, preferably by telephone.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Chief Accountant

for a large firm of solicitors in the City. In this new post, arising from the expansion and development of the firm's business and organisation, the Chief Accountant will take charge of the accounts department and its existing staff. He/she will be responsible for its day to day operation and the preparation of periodic accounts of the firm, which has its own disc-based computer.

Candidates, aged 35 to 45, must be qualified accountants with experience at senior level in a service industry, commercial undertaking or professional firm.

Salary up to £12,500. Non-contributory pension and other benefits.

Please send relevant details – in confidence – to P. Hook ref. B.26425.

MSL — United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Chemical and Allied Products Industry Training Board

The Board is to make two new appointments to be based at Central Office at Staines, Middlesex.

Starting salary in each case is c. £10,000 p.a. plus car and other benefits.

Candidates should be graduates and should have gained some of the appropriate experience in the chemical and allied products industries.

The appointments are:

Controller-Personnel

To be responsible for the personnel function of the Board in respect of its full-time staff, including apprentices, and involving development of policy, recruitment, staff development, employee/union relations and conditions of employment. Ref. B.12302.

Controller-Manpower Services

To be responsible for assessment of the chemical and allied products industries' long term manpower requirements and for promoting the necessary action to be undertaken by the Board to help provide the necessary supply of trained manpower to the industry. Ref. B.12303.

For further information and application form please telephone (01-629 1844 at any time) or write – in confidence – quoting the appropriate reference to G. V. Barker-Benfield.

MSL — United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

GROUP MANAGEMENT ACCOUNTANT

c. £11,000 + car

Our client is a market leader in the food retailing sector. Due to internal promotion and the continued expansion within the group we are recruiting a qualified accountant with proven experience in both Treasury and management accounting at the group level.

The scope of this position will encompass the development review and improvement of all accounting systems, the supervision and consolidation of all management information, the contribution towards the group treasury activities and investment appraisal.

The successful candidate will report to the Group Financial Controller.

Coupled with an attractive salary, there are excellent prospects within this group for an ambitious accountant wishing to combine Treasury with Management Accounting.

Location W. London.

Please contact in strictest confidence
David Clark, F.C.A., Consultant, quoting 1984.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Schlesingers

Assistant Unit Trust Accountant
Based in Dorking

We are a well established Unit Trust Company within the Schlesinger Investment Division managing over £100m. Due to our continuing expansion, an opportunity has arisen for an Assistant Trust Accountant/Administrator based in our pleasant modern administrative offices in Dorking.

Successful applicants will have gained some experience of portfolio accounting with a Unit Trust or Investment Trust Company or similar organisation. Greater emphasis will be placed on practical experience rather than formal qualifications. The person appointed will have full responsibility for the accounting and administration of a number of our Unit Trust Funds including portfolio valuations and distribution accounts.

A generous salary will be offered to the right candidate and benefits include profit sharing and BUPA.

Please write or telephone in confidence to:—
Mr. J. Clark,
SCHLESINGER TRUST MANAGERS LTD.,
Schlesinger House, 140 South Street, Dorking, Surrey.
Tel: Dorking (0306) 86441.

SAUDI ARABIA
GENERAL MANAGER — SAGE

NADCO — H. Alharthy & Co.

The Company is a joint venture company, its parent companies are NADCO of Riyadh and BOC of UK. Its office is situated in Riyadh.

Salary: £15,000 per annum tax free. Married or single status.

Free furnished living accommodation, air conditioned with free electricity and water. Car is also provided.

Minimum qualifications: HNC mechanical/gases.

- *Candidate must be self motivated and be able to manage all aspects of contracts up to SR 10 million.*
- *Be able to maintain contact with all major contractors in Saudi Arabia and maximize potential business.*
- *Prepare comprehensive tenders and to negotiate to a successful conclusion.*
- *Liaison with sub-contractors.*
- *Circulate regular financial reports and progress reports.*

The position requires a person with a cryogenic and chemical background and must have at least 15 years experience working for a major company.

A working knowledge of Saudi Arabia would be beneficial.

Please apply with full details to:
D. McCall, Manager, NADCO (UK), 28-29 Dover Street, London, W.1

Building Society
General Manager

to succeed the retiring chief executive of the UNIVERSAL BUILDING SOCIETY in Newcastle upon Tyne with responsibility to the board for day-to-day management and development of the Society's business.

The Society has assets exceeding £30m. and an extensive branch organisation in the north. Policy is to continue the established record of expansion as an independent society.

A record of successful management in the movement or possibly elsewhere in the financial services sector is required. Knowledge of computerised accounting and control systems is necessary. Preferred qualifications are FBS/ABS or ACIS. Probable age 35 to 50.

Salary negotiable from £10,000 with car, advantageous mortgage scheme, pension and re-location assistance.

Please write – in confidence – to W. J. Angus ref. B.64255.

This appointment is open to men and women.

MSL — United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
14 St. Vincent Place Glasgow G1 2EU

Assistant Accountants

We are the country's fourth largest Building Society serving over 1¾ million members through a national network of branches and agencies administered centrally from Leeds.

The Society has enjoyed a considerable growth in assets - currently in excess of £2,400m - and now seeks to make two important appointments.

The successful candidates will be responsible for a wide and interesting variety of work connected with the accounting, financial and secretarial functions of the Society. Previous building society experience is not essential but candidates should have gained a broad accounting experience and be able to work to strict deadlines. Personal development prospects are excellent for the right candidates.

Applications are invited from qualified persons, either FCA, ACA, FCIS or ACIS, aged not more than 40. Salary will be commensurate with experience and other benefits include free life assurance cover, a contributory pension scheme, subsidised staff restaurant and concessionary mortgage facilities.

Telephone Leeds (0532) 38181 Ext 448 for an application form or write to:

J Clark Esq AMBIM Personnel Manager
Leeds Permanent Building Society
Permanent House The Headrow
LEEDS LS1 1NS

Enquiries will be treated in the strictest confidence. Envelopes should be marked "Staff Confidential".

The Leeds PERMANENT BUILDING SOCIETY

ONE OF THE BIG FIVE

Managing Director

A plastics company in the Midlands, which is part of a larger group, requires a Managing Director to be responsible for the forward development of a profitable company with a present turnover of £6 million and employing 300 people.

An appropriate commencing salary will be offered together with a company car and the usual large group fringe benefits.

Please write stating age and giving details of background, experience and current salary to:

Box A.6757, Financial Times, 10, Cannon Street, EC4P 4BY.

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If you are in the job market now—we are here to help. Coutts Careers provide:—

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Trafalgar Square,
London WC2.

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Senior Institutional Broker	Inter-link Broker for Frankfurt

Apply MIKE POPE 236 0731
30, QUEEN STREET EC4

PARTNERS' ASSISTANT

required for successful and expanding Private Clients Department. Initiative and the ability to work without close supervision essential. The position would suit someone in their mid-20s with at least four years Stock Exchange experience, part of which should have been gained in a private client or bank department. Remuneration will initially reflect the successful candidate's experience, but as a firm we believe in rewarding hard work with increased responsibility and a salary to match. *We also offer pleasant working conditions* and the usual fringe benefits.

Write with full curriculum vitae to Box A.6758, Financial Times, 10, Cannon Street, EC4P 4BY.

Director/General Manager

Foods **c.£17,500 p.a. and car**

This is a vital appointment in a well known food company with a turnover in excess of £100m. Full accountability will be taken for the manufacturing, sales and marketing functions where over 1,200 people are employed.

The requirement, therefore, is for someone who has made his/her mark in a profit responsible position at senior general/marketing management level in a large f.m.c.g. company selling its products to the grocery trade. Exceptional commercial flair, numeracy and managing skills will be looked for. Age 35-42.

Conditions of employment are excellent. Salary indicator as above plus car and other benefits which include a highly attractive stock option scheme. Early prospects of a main board directorship. Location: London area.

Interested candidates are invited to write immediately (with contact telephone number) in strict confidence to J. W. C. Bull at Bull Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE, who is advising the company on this appointment.

Bull Holmes
PERSONNEL ADVISERS

Financial Controller

Bracknell

up to £15,000 + benefits

Reporting to the Chairman/Managing Director, responsibilities include running a large accounts department through a team of managers and controlling and developing the DP department.

The company is a rapidly growing consumer finance and banking concern with US parentage. Candidates must be qualified accountants aged 35-45, with a proven career record, ideally in a service industry. Awareness of effective DP management and of American reporting schedules is expected.

Remuneration includes a subsidised mortgage, non contributory pension and car.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Dr. I. F. Bowers quoting reference 791/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

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ACA's/CA's Aged 27-32 **City of London**

Our client is a major international firm of chartered accountants seeking to expand its London Corporate Tax Department. This has created the need to recruit at Manager levels.

Opportunities exist to take immediate responsibility for a group of qualified staff and a challenging portfolio of public listed companies. There will also be regular involvement in high level corporate tax planning, tax investigations and other special tax work.

Candidates should be chartered accountants with proven ability in staff and client management areas and be able to demonstrate between three and five years corporate tax experience within public practice, ideally gained in medium to large sized firms.

Very good prospects exist for successful applicants.

For more information and a personal history form please contact George Ormrod B.A. (Oxon), Paul Carvosso M.A. (Oxon) in London or Barbara Lord M.Sc. A.I.P.M. in Scotland quoting reference 2408.

Public Practice Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Internal Consultants

Computer Systems Audit/Security

London based, to £10,500 + car

These vacancies arise through promotions within a function recognised as providing excellent and varied prospects of career advancement. Our client is a multinational manufacturer and distributor of business equipment and supplies. Successful candidates will be members of an internal consultancy team providing international management at all levels with a professional appraisal of operations methods and an assurance of the integrity of current systems. Candidates, probably 27-35, must be graduates with at least 3 years in EDP systems management, ideally with IBM equipment. A full understanding of business problems associated with large scale systems development is vital. For one of the vacancies experience of security technology is preferred. There is about 30% travel, mainly overseas.

N.P.S. Lilley, Ref: 22134/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

Finance & Group Development Director

London, c.£15,000 p.a.

Simon-TR Holdings Ltd., the international operating Group within Simon Engineering Ltd., responsible for chemicals distribution, bulk liquid storage, and transport, wishes to appoint a Director, Finance & Group Development as the present incumbent is taking up another appointment in the parent Group. The Director will be the Board member responsible for financial management, accounting and secretarial functions and will contribute significantly to corporate planning and developments.

Candidates must have: a commercial bias; experience with a public company and in a company with international interests, and be qualified accountants (CA or CCA). A university degree is desirable. Age range: 38–45 years.

Salary about £15,000 p.a.; profit sharing scheme; car; benefits usual in a major company.

Based at the head office in London with occasional visits overseas.

Please write stating age, current salary and how you meet our Client's requirements quoting reference DF/4022/FT on both letter and envelope. Men and women are invited to apply. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited
Management and Selection Consultants
Baylis House, Stoke Poges Lane, Slough SL1 3PF

Business Planning Executives

London **£6,000–£9,000**

Our client, a fast moving and diverse British manufacturing Group requires Planning Executives at both senior and junior level to help identify and quantify business opportunities, acquisitions and new ventures for the Group and its subsidiaries at home and abroad.

As members of this small, high calibre team reporting to the Chief Planning Executive, they will be involved with planning and the evaluation of specific business development opportunities, often working on a project basis with line management.

Candidates (male or female), numerate graduates, should have had exposure in a manufacturing environment and have marketing experience. For the more senior job they will have line management experience and be in their early 30's, the more junior in their mid to late 20's. Promotion prospects within the Group are excellent.

Please write in confidence, stating the name of any organisation to whom your letter should not be sent:

T. L. Roberts, Director (Ref: 441)

Whites
Whites Recruitment Limited 72 Fleet Street, London EC4Y 1JS
Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton.

c£12,000
Audit Manager – Designate
LONDON
International Company

Qualified accountant, male or female aged 28 plus. Fluent English and French or German essential. An aptitude and an interest in internal auditing as part of a service to management is essential. Candidates will be expected to deal effectively at all levels throughout Europe. Extensive travel. Fringe benefits include pension/life cover, BUPA, and relocation expenses.

Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 8026 (24 hour answering service).

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Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
11/15 ARLINGTON STREET, LONDON, SW1A 1RD.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN, MADRID, BARCELONA, TOKYO, HONG KONG, CARACAS, MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE, SYDNEY, JOHANNESBURG AND THROUGHOUT THE USA.

Recently Qualified Accountant

City **c. £8,000**

Our clients are a unique City company playing a key role in international commerce with connections overseas. The company has a successful growth record and enjoys a high level of profitability.

As Deputy Group Accountant, you will be part of a young effective management team heading a small Accounts Department and responsible for the efficient accounting service required within the Group. The position offers an opportunity to gain experience in the commercial world in a varied and stimulating role with the chance to gain practical experience in all aspects of accountancy.

The company is part of a large financial group and as such offers the usual range of fringe benefits.

We guarantee absolute confidentiality so please write briefly to, or telephone, Douglas Atkins, quoting ref: 947.

AMC Selection
Recruitment Consultants,
84-86 Baker Street,
London W1M 1DL
Tel: 01-487 5761 (24 hours)

CORPORATE FINANCE

Age 25-28 **c £8,000**

A Merchant Bank of the highest repute, a member of the Accepting Houses Committee, seeks to appoint a highly motivated and ambitious person to assist in the proposed expansion of its active and important Corporate Finance Department.

The job will involve considerable Client contact at senior level, in the fields of mergers/acquisitions, capital restructuring and corporate investment.

The successful Candidate will probably be a graduate, and must be a Chartered Accountant, with a good examination record. Previous banking experience is not necessary, but ideally applicants should have two years' post-qualification experience, either in the profession or industry.

Salary is negotiable around the above figure, and benefits, commensurate with the standing of the bank, include 3% mortgage facility, n/c pension and B.U.P.A.

Please telephone, in confidence, NEIL KEANE

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

FRIENDS' PROVIDENT LIFE OFFICE

Two attractive opportunities for qualified accountants. Applications are invited for the following posts which are based at the Head Office, Dorking, Surrey, of this major and progressive life assurance office.

INVESTMENT ACCOUNTANT £10,000 PLUS

The successful applicant will be responsible to the Chief Accountant for all aspects of accounting for the £500m U.K. investments of the group. The work will encompass accounting for stock exchange investments and all aspects of property management. It will also involve participation in the preparation of reports to the Board of Directors on investment matters.

Applicants must be Chartered Accountants preferably with a good university degree, post qualification experience of managing staff and knowledge of this type of work. Selection will depend upon applicants demonstrating that they have initiative and an ability to get new ideas implemented.

In addition to the basic salary there are attractive bonus schemes and other fringe benefits.

TAXATION SUPERINTENDENT c.£7000

This post entails preparation of tax computations for all the companies within the group under the direction of the Taxation Accountant. The work will cover corporation, capital gains, value added and development land tax.

It is expected that the successful candidate will be a recently qualified Chartered Accountant with broad tax experience.

In addition to the basic salary there are attractive bonus schemes and other fringe benefits.

Applications in confidence to:

B. R. Nunn, FCA, MBCS, Chief Accountant, Friends' Provident Life Office, Pixham End, Dorking, Surrey RH4 1QA. Tel. Dorking 5055.

MAKE YOUR FUTURE WITH FRIENDS

Investment Analyst

Our Client, a major industrial undertaking, wishes to appoint an Investment Analyst to assist in the management of its Pension Fund's Gilt-Edged Stock portfolio; this currently amounts to over £200 million.

Responsibilities will be involved with new investment, switching, and short-term deposits; the successful candidate will help to monitor monetary, interest rate and general economic trends/factors affecting these areas.

Applicants must hold a degree or professional qualification, and should have at least 2-3 years experience in an investment environment.

The appointment is London-based. Attractive conditions of employment, including a starting salary in the region of £8,750.

Please write in the first instance, enclosing details, to the address below. (Reference 848 must be quoted on your envelope. Enclose separately a note of any companies to which your application should not be sent.)

The above appointment is open equally to men and women.

Ronald Fairbairn, Everetts Recruitment,
10 Greycoat Place, London SW1P 1SE

EVERETTS recruitment

SENIOR DEALER

A well known International Bank is seeking to expand its dealing operations making an opening for a first class dealer with good, all-round experience to join an efficient team. This position affords excellent opportunities for the right person who will be in their late twenties/early thirties and the salary will be circa £10,000 per annum.

CREDIT ANALYST

A competent credit analyst with 3/4 years' analysis experience and who has had formal credit training is required by a small expanding International Bank. The right person will have the opportunity to progress into the lending area at a later date. Applicants should be in their late twenties with a salary expectancy of circa £7,500.

FOREX DEALER

A position has arisen in an established City bank for a foreign exchange dealer, mid-twenties, with a minimum of two years' dealing experience. The salary will be circa £7,500 per annum.

LENDING OFFICER

City based bank requires a competent lending officer with a minimum of three years' experience within an American banking environment. Salary circa £9,000.

These positions are open to both male and female applicants.

BSB Banking Appointments
115-117 Cannon Street, London EC4N 5AX. Telephone 01-623 7317 & 01-623 9161
Recruitment Consultants

MAJOR CALIFORNIAN BANK
CREDIT ANALYST

We are currently seeking an experienced analyst to supplement our expanding Corporate Banking team. Candidates should possess an appropriate accounting qualification together with an in-depth knowledge of analysis techniques and the ability to work with the minimum of supervision. Salary is commensurate with experience plus the usual fringe benefits.

Please write enclosing curriculum vitae to Box A.6756, Financial Times, 10, Cannon Street, EC4P 4BY.

INSTITUTIONAL SALES PERSON

Our clients, a leading company of City stockbrokers, are interested in hearing from personnel in the mid-20s age group who have previous experience in this field. Excellent salary and conditions neg. a.a.e.

Please phone
Alice Szulc 01-248 6071
for an immediate interview
ALANGATE EMPLOYMENT AGENCY
(Banking, Broking and Finance Division)

...tions signal a victory ... But it called for Holland

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RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

An important appointment—scope for considerably extending funds under management

CJRA SENIOR PORTFOLIO MANAGER

LONDON **up to £14,000 + car**

MAJOR INTERNATIONAL MERCHANT BANK

Applications are invited from candidates aged 28-36, who have acquired a minimum of 5 years pension fund and/or investment experience and some discretionary portfolio management experience. The successful candidate will report to the Pension Fund Investment Director and be responsible for the effective and profitable discretionary management of a number of large pension funds worth in total in excess of £50 million. As a member of the Investment team, he or she will be expected to make a useful contribution to investment strategy. The ability to make sound investment decisions, and to advise Trustees in a persuasive and authoritative manner, is important. Initial salary negotiable up to £14,000 + car non-contributory pension, free life assurance, free BUPA, 2½% loan mortgage facility. Applications in strict confidence under ref: SPM11200/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Investment Management

Bank of America's Merchant Banking subsidiary is seeking an additional Portfolio Manager for its London International Investment Management Service. This Unit is continuing to grow in size and importance, managing very substantial portfolios.

Applicants must have at least 3 years experience in bond portfolio management. A knowledge of internatonal equity markets and administrative procedures would be advantageous in addition, excellent professional qualifications are essential.

Salary will reflect the importance of this key appointment. Total remuneration, including fringe benefits, are in line with the best banking practice.

Suitably qualified men and women should send full career details. which will be treated in strictest confidence. to The Director International Investment Management Service.

BANK OF AMERICA INTERNATIONAL LTD
St. Helen's, 1 Undershaft, London EC3A 8HN.

Director Manufacturing Technology

The task is to keep one of the largest and most profitable UK packaging manufacturers in the forefront of its industry's production capability. It is a new position reporting directly to the Chief Executive, and will involve a continuous review of manufacturing techniques and an on-going dialogue with machinery makers world-wide.

Candidates, graduate engineers probably over 35, will have a special interest in high speed machinery, involving applied chemistry, which is moving rapidly into areas of complex electronics and computerised control systems. They must also appreciate the intricacies of costing, budgeting and capital applications. A knowledge of printing and packaging and of German and French is desirable but not essential.

Terms are attractive with salary negotiable around £12,000 and unlikely to be the limiting factor; plus a car and other benefits in line with better practice in the UK. Location High Wycombe.

Please write, in confidence, quoting Ref FT 648 and giving brief details of age, experience, qualifications and present earnings to:

CB-Linnell Limited
8 Oxford Street, Nottingham
MANAGEMENT SELECTION CONSULTANTS
NOTTINGHAM · LONDON

Excellent prospects for a DEPUTY AVIATION UNDERWRITER £10,000 neg.

A small Lloyd's aviation syndicate requires an experienced Deputy Underwriter with a view to replacing the present Underwriter on his retirement. Age 30+. Excellent conditions of employment. For more details 'phone Caroline Jateman on 01-930 0855
P.D. STAFF CONSULTANTS

Investment Manager

Henderson Administration seeks an additional Investment Manager to work on the U.K. side of its investment department in which the funds are expanding rapidly.

The right candidates will probably have a good degree or equivalent professional qualification and should also have at least two years investment experience.

Candidates should be in their mid to late twenties, be ambitious, decisive, hard-working and able to get on with people. The position is an important one and the salary and benefits will be competitive.

Please reply in your own handwriting, giving full details of your background and experience, to C. G. Clarke,

Henderson Administration Limited
11 Austin Friars, London. EC2N 2ED.

Group Finance Management

City-based **c. £17,500**

Sophisticated financial planning and information systems, used effectively, are a characteristic of this quoted British engineering group, whose sales are at the £35m level. The requirement is for a Group Financial Controller with Board potential, who will report to the Managing Director. Responsibilities will include tax, treasury and other external relations, as well as the development and implementation of group accounting policies. A substantial contribution to corporate strategy and resource allocation is expected. A background including international operations, preferably in a high-technology environment utilising EDP facilities, would be ideal. Age around 40: the chartered qualification preferred. Appropriate remuneration negotiable and will include an element related to profitability after tax.

PA Personnel Services Ref: AA26/6873/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

CAPEL-CURE MYERS LIMITED

FOOD MANUFACTURING ANALYST

We wish to recruit an experienced analyst to join our Research team with specific responsibility for the Food Manufacturing Sector. A University degree or a professional qualification and two to three years' experience in this or a related sector with a stockbroking or financial institution are the minimum requirements. This is an ideal opportunity for someone seeking more responsibility to pursue a satisfying and progressive career.

The appointment will carry a fully competitive salary and participation in the profits of the business. Please send brief details of career to date or 'phone:

The Personnel Manager,
CAPEL-CURE MYERS LTD.,
Bath House, Holborn Viaduct. London, EC1A 2EU.
Tel: 01-236 5080

Trust Officer for expanding Corporate Trustee Department

Applicants should ideally be fully conversant with corporate trustee work.

Salary negotiable and excellent fringe benefits.

Telephone 01-606 5451 or write to:

The Secretary.
The Law Debenture Corporation, Ltd.,
Estates House,
66 Gresham Street, London EC2V 7HX

Research/Sales Executive Japanese Department

Our client is a major, broad based, firm of Stockbrokers with a first class reputation in the U.K. and internationally.

As a result of their rapidly growing Japanese business, they seek an additional executive to play an important part in the further development of this department.

The successful applicant will probably be aged 26-35, with several years investment research or institutional sales experience. Knowledge of the Far East is not essential but will obviously be a great advantage.

The position should appeal to an ambitious individual who now seeks career advancement through specialisation. It offers excellent prospects and remuneration.

Please contact Fiona Stephens who will treat all enquiries in the strictest confidence.

Stephens Selection
35 Dover Street, London W1X 3RA. 01-493 0617
Recruitment Consultants

UNHAPPY EXECUTIVE ?

Does your career future look good ?
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Can you define the working environment you most enjoy ?
Does your working day provide fulfilment, stimulus and fun ?
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Or write to him at:

Royston Ridgeway
Career Managing People
Kent House, 87 Regent Street,
London, W.1.

NIGERIA INTERNATIONAL BANKING

We are a recently-established, fast-expanding commercial bank in Nigeria. Affiliated to a major international banking group with world wide representation.

We require a suitably qualified person with wide experience in documentary bills and letters of credit for the post of Deputy Manager, Foreign Department in our Lagos head office.

Preference will be given to candidates having previous experience in Nigeria within the age group 30-40.

An attractive benefits package will include generous home leave, education allowance, and fully-furnished accommodation.

Please write to:
Mr. A. Deloz, Deputy Manager, Société Générale
105/108 Old Broad Street, London EC2P 2HR

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REQUIRE EXPERIENCED STAFF IN VARIOUS DEPARTMENTS
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have vacancies for Spot Foreign Exchange Brokers with opportunities for posting to the Far East and North America after service in their London Office.

Minimum experience of two to three years required. Salary and terms negotiable.

Please reply in confidence to:
The Managing Director Foreign Exchange,
80 Cannon Street, London EC4N 6LJ.

APPOINTMENTS SECRETARIAL

Company Chairman

(32)

of small commercial property group requires efficient

Secretary/PA

Good working conditions in small office. Salary £4,500-£5,000 according to ability.

Apply:
Mr. Grogan, C.C.F. Ltd.
366, Euston Road, NW1,
or telephone 01-387 3914.

INTERNATIONAL INVESTMENT MANAGEMENT

Crocker Bank has recently formed an International Investment Services Group to service its private clients worldwide. The London headquarters of the Group is seeking a

MIDDLE EAST AREA MARKETING REPRESENTATIVES

To develop marketing plans, to participate in selling the services of the Group and to administer client relationships. A background of successfully selling financial services in the Middle East is required.

Salary and excellent fringe benefits will be offered commensurate with the qualifications and experience of the successful candidate.

Applications with curriculum vitae should be sent in confidence to:

CROCKER BANK

Mrs. Helen Thompson
Personnel Officer
Crocker National Bank
34 Great St. Helen's
London EC3A 6EP

FINANCIAL MARKETING
c. £10,000 + car

25-35, with good knowledge of tax, investment and ideally insurance linked schemes to market services of well established expanding company to London brokers.

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26-32 Graduate with research and/or sales experience to join UK Equity desk of highly reputable large firm of Stockbrokers.

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Our clients, a well known firm of Stockbrokers are currently interested in meeting experienced analysts 26-32 with proven track records to take over responsibility for or to assist in the development of coverage of such sectors as STORES/FOOD RETAILING . . . BUILDING . . . FINANCIAL . . . ELECTRICALS . . . CHEMICALS. . . . If you are seeking advancement give us a ring for a confidential talk about your expectations.

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35 Dover Street, London W1X 3RA.
01-493 0617
Recruitment Consultants

BANKING MERCHANT BANKERS

London/Hong Kong

Crocker National Bank, a major West Coast United States financial institution with an expanding international presence, has opportunities available for two Merchant Bankers with demonstrated records of achievement and technical competence. One position will be based in Hong Kong and the other in London.

Crocker Bank has established a significant merchant banking record over the past several years. Crocker has made a fundamental policy commitment to expanding its profitable merchant banking business in Asia, Europe and Latin America. The level of business volume has now reached a point where additional professional staff is required.

For immediate consideration for either of these opportunities please send a summary of your background or curriculum vitae in strictest confidence to: Box F.1104, Financial Times, 10, Cannon Street, EC4P 4BY.

CROCKER BANK

COMPANY SECRETARY

£10,000 + car

As Secretary to a major UK public group in the packaging field you will have responsibility for relevant secretarial matters on both a company and group basis.

Considerable liaison with subsidiaries and outside bodies is involved and, as a qualified Secretary, preferably under 50 and with sound experience in an industrial environment, you will enjoy a progressive *salary plus a full range of large company benefits.*

The appointment is located initially in London with a move to the Midlands later in the year.

For an exchange of information call or write to Keith Diver

Personnel Resources Limited 01-248 6321
Financial Appointments Hillgate House Old Bailey, London EC4M 7HS

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on Tuesday, 1st May. For full details see the FT of that date or telephone Julie Burgess on 01-248 8000, Ext. 526.

Job Title	Salary	Location	Advertiser
Head of Finance	*from c.£7,600*	London	Intl. Planned Parenthood Federation
Project Accountant	from c.£7,600	London	Intl. Planned Parenthood Federation
Manager/ess Accounts Preparation Dept.	—	*NW London*	*Levy Gee*
Accountant	c.£7,500	Welwyn Garden City	Financial Times Box A.6743
Young Taxation Accountant	to £9,000 + Benefits	City	Extel Recruitment
Management Accountant	to £7,000	NE London	Professional & Executive Recruitment
Financial Accountant	to £7,000	NE London	Professional & Executive Recruitment
Financial Accountant	c.£7,000 + Car	—	Churchill Personnel
Company Accountant/Supervisor	c.£7,000	—	Churchill Personnel
Aggressive Cost Accountant	—	—	Financial Times Box A.6746
Young Part-Qualified Accountant	£6,500	City	Accountancy Personnel
Chief Accountant/ Financial Controller	£8,000	W1	Accountancy Personnel
Accountant	£7,000+	Victoria	Accountancy Personnel

APPOINTMENTS WANTED

FINANCIAL DIRECTOR,
COMPANY SECRETARY,
ADMINISTRATION MANAGER

Energetic fit 52-year-old male, having negotiated early retirement from a large international group offers services in an executive (or advisory) capacity—full or part-time, June onwards.

Still willing to learn but already with extensive practical experience in most aspects of commercial law and finance also company secretarial practice, pension funds administration/investment, insurance, contract negotions, purchasing, property administration and leasing, personnel administration, some marketing "know-how."

Size of organisation immaterial and would appreciate opportunity where the prime objective is to improve profitability.

Preferred locations Southern or South-West England.
Write to Box A.6759. Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS CONSULTANT, 38. B.Sc., M.B.A., returned Middle East, seeks *assignments U.K. main strength* is achieving results. Experience in finance, computers, new business, all aspects of control. All responses in confidence. Tel.: B. Vaughan, 0332 56932.

CHARTERED SECRETARY/Internal Auditor will set up, run, join, internal audit dept. Write 679, Honeypot Lane, Stanmore, Middx.

FEDERAL HOUSING AUTHORITY
Internal and External Advertisement for Auditors

A. Applications are invited from suitably qualified candidates for appointment to the following vacancies in the Audit Services Department.

	Post	Qualifications	Years of Experience
1	Chief Internal Auditor GL.14 (N8,868–N9,828)	ACA, ACCA	10 years
2	Assistant Chief Internal Auditors GL.13 (N7,764–N8,724)	ACA, ACCA	7 years
3	Principal Internal Auditors GL.12 (N7,104–N7,752)	ACA, ACCA B.Sc (Accounting)	5 years 7 years
4	Senior Internal Auditors GL.10 (N5,460–N6,432)	ACA, ACCA BSc. (Accounting)	3 years 5 years
5	Internal Auditors I GL.09 (N4,368–N5,340)	ACA, ACCA BSc. (Accounting)	1 year 2 years
6	Internal Auditors II GL.08 (N3,264–N4,164)	ACA, ACCA or BSc. (Accounting)	NIL
7	Principal Audit Inspectors II GL.10 (N5,460–N6,432)	ACCA Professional I, Intermed. Inst. of Chartered Accountants; CIS/HND (Accounting)	5 years
8	Senior Audit Inspectors GL.09 (N4,368–N5,340)	ACCA Professional I, Intermed. Inst. of Chartered Accountants. CIS/HND (Accounting)	3 years 2 years
9	Higher Audit Inspectors GL.08 (N3,264–N4,164)	ACCA Professional I, Intermed. Inst. of Chartered Accountants. CIS/HND (Accounting)	1 year NIL

B. Duties Audit Services Department operates on a Management Audit System, and its duties include the Audit of all Financial Records and Transactions; approval of all payment vouchers before actual payment is made.

The Department also examines the system of work, procedures, organisations and methods of all Departments of the Authority. The investigations of matters referred to it by other Departments and those it suspects to be irregular. Successful applicants are expected to have initiative, be painstaking and thorough. They will be required to take up duties and responsibilities commensurate with their post and salaries.

C. Salaries and Conditions of Service Point of entry into Grade Levels stated above shall depend on qualification and experience. Other conditions of service are similar to those applicable in the Public Service of the Federal Republic of Nigeria. For example, positions are pensionable, staff quarters are provided or Housing Allowance in lieu of quarters. Contract appointments will be for a minimum period of two years. Fifteen per cent (15%) contract addition will be added to the above salaries and paid to contract officers.

D. Method of Application 10 (Ten) copies of application and curriculum vitae together with photostat copies of certificates should be submitted. The Curriculum Vitae among other things should give nationality, date of birth and age, marital status, full employment history, and brief description of duties performed at different levels, present or last salary and earliest date of resumption if employed.

The applicant shall name three referees, one of which must be the present employer or Head of last Institution attended. It shall be the responsibility of the applicant to ensure that the referees forward their references to reach the Authority on the date and in the manner specified below: All applications and references should be addressed to:- The General Manager, Federal Housing Authority, Festival Town, Badagry Road, P.M.B 3200, Surulere, Lagos, and to reach him not later than 30th June, 1979. Late applications shall *not* be entertained.

The post applied for or in respect of which a reference is being made should be clearly marked at the bottom left corner of the sealed envelope forwarding the application or the reference.

Applicants in any of the Public Services of the Federal Republic of Nigeria including companies which Federal and/or State Government have interest or Statutory Corporations, shall forward their applications through their employers. Only short-listed applications shall be acknowledged and the Authority shall not enter into any correspondence with other applicants.

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FEDERAL HOUSING AUTHORITY

MARKETING OFFICER
AGE 25-40 **c£10,000**

A major American Bank with first-class name requires a dynamic and highly motivated person for a progressive position in expanding area. The job involves the marketing of the Bank's wide range of services to major U.K. companies, and top-level Client liaison forms a significant part of the specification.

The successful Candidate will possess a broad banking background, and preference will be given to those applicants who have received formal credit training from within a U.S. Bank. It is anticipated that the appointee will be asked to accept increasing responsibility in the future, and play a major part in the development of the branch.

Salary is freely negotiable around the above figure, and the wide range of benefits include a generous mortgage facility, and annual bonus.

Please telephone, in confidence, Mark Stevens

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SENIOR SYSTEMS ANALYST £12,000 p.a. +
London - New York. Travel + excellent benefits.
A leading bank currently requires an expert on telecommunications software and on-line applications—you should be familiar with: IBM TCAM/CICS/DOS—Vs. With access methods in DEC teleprocessing also being desirable.
The ability to analyse and specify network processing and interface software—would be an advantage along with knowledge of message switching and line protocol software.
This interesting opening will allow you to participate in a study effect of functional analysis and specification of an internal/external network.

SENIOR BANKING CLERR £8,000 p.a. +
A newly established City branch of an overseas bank has an opportunity for someone (aged 35-45) experienced in Documentary Credits and some knowledge of FX reconciliations.

INTERNAL AUDITOR £9,000 to £11,000 p.a.
Required for highly respected continental bank. Aged 26+, you should ideally have foreign banking experience.

LJC Banking Appointments
01-283 9958/9 – for an immediate appointment

Institutional Account Executives

The London office of a leading Canadian investment dealer requires Account Executives to handle UK and European business. The successful candidates will have a minimum of 10 years investment experience in Canadian Bond and Equity Markets and a reasonable portion of this time will have been spent in Canada.

A Masters Degree in Business or equivalent is mandatory as is fluency in English and French. Base salary £10,000.

Please write, in strictest confidence enclosing career details to Box A6760, Financial Times 10 Cannon Street, EC4P 4BY

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W.1. 01-629 6176. FINE PRINTS OF FIVE CENTURIES. Until 25 May. Mon.-Fri. 9.30-5.30. Thurs. until 7.

BLOND FINE ART, 33, Sackville Street, W.1. 437 1230. IAIN MACNAB and his Circle. Oils, watercolours and woodcuts. Until 12 May.

BROWSE & DARBY, 19, Cork St., W.1. DEGAS AND RODIN — Bronzes and drawings.

COLNAGHI, 14, Old Bond St., London, W.1. 01-491 7408. PAINTINGS FROM MUGHAL INDIA. 19 April-19 May. Mon.-Fri. 9.30-6. Sat. 10-1.

COVENT GARDEN GALLERY LTD. "A PLACE IN THE COUNTRY." Spring Watercolours Exhibition. 20, Russell Street, W.C.2.

DECORATIVE INTERIORS GALLERY, 01-352 8850. 274, Fulham Road, London, SW10. Mon.-Fri. 11 am-7 pm. Presently exhibiting Emile Jacques Ruhlmann.

FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. MORRIS AND COMPANY.

MALL GALLERIES, The Mall, S.W.1. PORTRAIT PAINTERS. Royal Society's Annual Exhibition. Mon.-Sat. 10-5. Until May 16. Adm. 50p.

OMELL GALLERIES, 22, Bury Street, St. James's, S.W.1. 19th CENTURY ENGLISH AND CONTINENTAL OIL PAINTINGS. Our current stock comprises over five hundred selected works with prices from £400 to £2,000. For further details phone 01-839 4274-5.

OMELL GALLERIES, 40, Albemarle St., Piccadilly, W.1. New selection of fine modern French paintings, including Blanchard, Chetioux, Deschamps, Dellin, Grosot, Herve, Jacob, Pessat, Robin, etc., and fine modern British marine paintings and watercolours.

Accounts Manager
Saudi Arabia £12,000

One of the best known companies in Saudi Arabia with trading, contracting and industrial interests is seeking an Accounts Manager. The company already employ many expatriates and expansion has created this key appointment which offers an excellent career opportunity.

The person appointed will assist and deputise for the Financial Controller and will be responsible for the overall supervision of the branch accounts departments and prepare monthly reports. He will also be involved in the annual accounts and preparation of group budgets. A new computerised accounts system is being introduced which will eventually handle all aspects of accounts and stores.

Candidates should be ideally aged 25-30 years and be Chartered Accountants with commercial experience.

Salary is payable in Saudi Riyals equivalent at present to around £12,000 per year, tax free. Free furnished accommodation, a car and free medical cover are provided. Initially, the contract calls for a single or unaccompanied married person offering two home leaves per year.

Contact: Colin Hodsdon, PER Overseas, 4/5 Grosvenor Place, London SW1X 7SB.

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COMPANY NOTICES

THE RIO TINTO-ZINC CORPORATION LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventeenth annual general meeting of The Rio Tinto-Zinc Corporation Limited will be held at the Commonwealth Hall, The Royal Commonwealth Society, 18-20, Craven Street, London, W.C.2, on Wednesday, 30 May, 1979, at 11.00 a.m. for the following purposes:

1. To consider the Company's accounts and the reports of the directors and auditors for the year ended 31 December, 1978.
2. To declare a dividend on the ordinary shares.
3. To re-elect directors.
4. To re-appoint the auditors and to authorise the directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution, namely:

"That the directors be authorised, down to the date of the annual general meeting in 1980, to issue or agree to issue for cash, without the same being offered to the holders of the ordinary and/or accumulating ordinary shares, equity shares or foreign currency securities convertible into, or conferring options or carrying warrants to subscribe for, equity shares of the Company provided that the aggregate nominal amount of the equity shares so issued or agreed to be issued (or liable to be issued assuming the exercise of such conversion and subscription rights at current rates or prices) shall not exceed five per cent of the aggregate nominal value of the equity shares of the Company at present in issue and any additional equity shares issued in respect thereof by way of capitalisation of reserves."

6. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution, namely:

"That the directors be authorised hereby to adopt a facsimile of the Common Seal with the addition on its face of the word 'Securities' for the use for sealing share certificates by the Company and that accordingly Article 14 of the Company's Articles of Association be altered hereby by inserting after the words 'the Seal (or' the words 'an official seal kept under Section 2 of The Stock Exchange (Completion of Bargains) Act 1976 or'."

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy, together with any power of attorney under which it is signed, should reach either of the transfer offices of the Company not less than 48 hours before the time appointed for holding the meeting.

By order of the Board.
D. A. STREATFEILD.
Secretary.

6 St. James's Square,
London SW1Y 4LD.
2 May, 1979.

Notes

1. Only holders of the ordinary or accumulating ordinary shares or of the "B" cumulative preference shares are entitled to attend and vote at the meeting.
2. A holder of a share warrant to bearer, who desires either to attend the meeting or to appoint one or more proxies to attend and, on a poll, vote instead of him, will receive a ticket of admission on depositing at the Company's transfer office at 1 Redcliff Street, Bristol BS1 6NT, at least 48 hours before the meeting, a written request for the issue of the ticket (and, if desired, a form of proxy) together with a certificate signed by an Authorised Depositary* stating that the share warrant is in the custody of the Authorised Depositary and will be retained in such custody until after the close of the meeting. If the form of proxy is to be used, it must be completed and returned to the transfer office so as to be received at least 48 hours before the meeting.

* Authorised Depositaries are listed in the current issue of the Bank of England's Notice EC1, and include most Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom, the Channel Islands or the Isle of Man.

3. There are no contracts of service whereunder directors of the Company are employed by the Company or any of its subsidiaries at the date of this notice other than contracts expiring, or determinable by the employing company without payment of compensation, within one year.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED
A Member of the Barlow Rand Group
(Incorporated in the Republic of South Africa)

CIRCULAR TO MEMBERS
AND
NOTICE CONVENING A GENERAL MEETING
BORROWING POWERS OF DIRECTORS

The amount which your directors are authorised to borrow for the purposes of the company is limited by the Articles of the company to (£4,750,000) R9,500,000. This level was set some 20 years ago and is no longer in keeping with present day practice and requirements. This amount should be revised in order to bring it into line with contemporary needs and to permit the company to conclude an uranium supply agreement which includes an interest-free consumer loan of R16,600,000 repayable over 7 years. This loan will be used in the development of the company's property and to finance necessary capital expenditure. Your directors therefore now recommend that a reasonable borrowing level would be R20 million.

Article 37 of the company's Articles of Association authorises the company to increase by an ordinary resolution the amount which the directors are authorised to borrow, raise or secure for the purposes of the company.

NOTICE IS ACCORDINGLY HEREBY GIVEN that a General Meeting of Blyvooruitzicht Gold Mining Company Limited will be held in the Conference Room, 11th Floor, 63 Fox Street, Johannesburg, on Friday, 25th May 1979 at 11h00 for the purpose of considering and, if thought fit, of passing, with or without modification, the following resolution as an Ordinary Resolution in terms of Article 37 of the company's Articles of Association, namely:

"That the directors be and they are hereby authorised to borrow, raise or secure a total amount of up to R20,000,000 for the purposes of the company, which said amount of R20,000,000 shall include the specific amount of (£4,750,000) R9,500,000 set out in Article 37 of the company's Articles of Association."

In terms of Section 258(1) of the Companies Act 1973, as amended, it is disclosed that the directors have no interest, direct or indirect, in the aforementioned arrangements.

Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and vote in his stead. The person so appointed need not be a member of the company. Proxy forms should be forwarded to reach the company's Transfer Secretaries in Johannesburg or the office of the United Kingdom Registrars and Transfer Agents not less than 48 (forty-eight) hours before the time for holding the Meeting.

For the purposes of determining those members entitled to attend and vote at the Meeting, the register of members of the company will be closed from close of business on 19th May 1979 to close of business on 25th May 1979.

Registered Office:
15th Floor,
63 Fox Street,
Johannesburg.

By order of the Board.
RAND MINES LIMITED, Secretaries.
per T. A. Cross.
3rd May 1979.

THE HAMMERSON PROPERTY AND INVESTMENT TRUST LTD.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Company will be closed for one day only on the 21st May, 1979.

By Order of the Board.
T. L. RATHAGE, Secretary.
100, Park Lane,
London W1Y 4AR.

LEGAL NOTICES

THE COMPANIES ACT 1948
IN THE MATTER OF J. G. BESGROVE LIMITED, BUILDERS
Winding-up Order made 19th March, 1979. Date and place of first meetings: Creditors 17th May 1979, at Room G20, Atlantic House, Holborn Viaduct, London EC1N 2HD, at 10.00 o'clock. Contributories on the same day and at the same place at 10.30 o'clock.
G. B. GILLVRAY, Official Receiver and Provisional Liquidator.

THE COMPANIES ACT 1948
IN THE MATTER OF NARIEGLOW LIMITED T/A UNIVERSAL ENTERPRISES DEALERS IN MICROWAVE OVENS
Winding-up Order made 28th March, 1979. Date and place of first meetings: Creditors 18th May, 1979, at Room G20, Atlantic House, Holborn Viaduct, London EC1N 2HD, at 11.00 o'clock. Contributories on the same day and at the same place at 11.30 o'clock.
H. W. J. CHRISTMAS, Official Receiver and Provisional Liquidator.

PLANT AND MACHINERY

CONTAINER HANDLER, 30 tons capacity. Capable of handling 20', 30' and 40' containers, complete with hydraulically operated spreader. Hours worked to date 5,283. Price £20,000 negotiable. Birmingham Fork Lift Truck Ltd., 4-8, Hams Road, Saltley, Birmingham B8 1DU. Tel.: 021-327 5944/5. Telex 337052.

BOND DRAWINGS

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION
5¼% Guaranteed Convertible Bonds 1986

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.$315,000 due 1st June, 1979 has been met by purchases in the market to the nominal value of U.S.$30,000 and by a drawing of bonds to the nominal value of U.S.$285,000.

The distinctive numbers of the bonds, drawn in the presence of a Notary Public, are as follows:—

7211 to 7219	7241 to 7250	7281 to 7290	7304 to 7309	7321 to 7323
7341 to 7350	7383 to 7389	7391 to 7393	7395 to 7399	7408 to 7410
7412 and 7413	7419 and 7420	7430 to 7434	7441 to 7445	7499 to 7504
7539 and 7540	7552	7570 to 7573	7581 to 7590	7621 and 7622
7626 7630	7636 and 7637	7641 and 7642	7649	7653 and 7654
7662 to 7664	7667 to 7669	7671 to 7676	7698 to 7704	7708 to 7711
7727 and 7728	7742	7749 to 7756	7761 to 7763	7769 and 7770
7780 and 7781	7799 to 7802	7827 to 7840	7842 to 7856	7859
7904 to 7914	7916	7933 to 7935	7937 and 7938	7940 and 7941
7944 and 7945	7951 to 7965	7967 to 7974	7977 to 7980	7988 to 7991
8016 to 8020	8046 to 8055	8058 8061	8063 to 8066	8074 to 8085
8087 to 8096				

On 1st June, 1979 there will become due and payable upon each bond, drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB,

or one of the other paying agents named on the bonds.

Interest will cease to accrue on the bonds called for redemption on and after 1st June, 1979 and bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$2,201,000 nominal bonds will remain outstanding after 1st June, 1979.

The following bonds, previously drawn for redemption on the dates shown below, have not yet been presented for payment:—

1st June, 1977
11299 11611 to 11630

1st June, 1978

278	295 to 303	392 to 400	451 to 460
478 to 480	496 and 497	633 657	659 to 661

30, Gresham Street, London, EC2P 2EB.
3rd May, 1979

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Office of Court Usher Edmond Luyten
Justitiestraat 9 B-2000 Antwerp - Belgium
Tel. 031/37 76 66

PUBLIC SALE BY ORDER OF THE COURT

of the sea-going ship CHRISTINA I

in

ANTWERP BOATSMEN'S EXCHANGE

Lange Nieuwstraat on TUESDAY, 22nd MAY 1979, at 4.30 p.m.

(after the afternoon chartering session)

By decision of the Seizing Judge of the Antwerp Court of First Instance, dated 16th March, 1979, court usher Luyten will proceed, with reserve of higher bid, to the public sale of the sea-going ship CHRISTINA I, flying the Cypriot flag, now moored in the port of Antwerp at No. 148 of the docks, registered at Limassol. She was built in France by the "Forges et Chantiers de la Gironde," at Bordeaux and completed in February, 1978. Length 169.1 m, width 20.9 m, gross tonnage 11,911.71 tons, nett tonnage 6,455.63 tons. Equipped with a Dürmeister two-cycle, single-effect, turbo-blower diesel engine No. 271 Type 874 VTBF 160, 11,027 hp at 118.8 rpm, built by the Societe des Forges et Ateliers du Creusot, in France. With certificate of classification issued by Bureau Veritas, valid until January, 19S1 and 1982 (may be inspected at the usher's office).

View: by telephone appointment and with the court usher's permission.
Conditions: available at the court usher's office.

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LOMBARD

Disarming the Treasury

BY PETER RIDDELL

THE TREASURY is a much criticised institution—a target for popular abuse like the Press. Both are credited with more power for good or, more often, ill, than the inhabitants of either Great George Street or Fleet Street would themselves claim. Yet in neither case can the critics be easily brushed aside.

The (conspiracy) case against the Treasury is that a slightly sinister but highly intelligent group of men and women are seeking to impose their views on right-thinking but weak Ministers. Hence they are frustrating the desired goals of socialism/laissez-faire (delete whichever is unfashionable). This is unconvincing since it ignores the force of outside pressures, notably the financial markets, or the influence of strong Ministers, such as Mr. Healey.

Dithering

The opposite view is that the Treasury is a group of hard-working people patiently coping with the U-turns and dithering of ministers and trying to keep Britain on an even keel. There is more in this than the critics recognise but the officials are not quite as apolitical as they might pretend, even if they are neutral between the parties. Treasury influence does exist and it is not merely an extension of the Chancellor's own power.

In some respects the Treasury may have been its own worst enemy by appearing to have more clout than it actually possesses. This point was pursued in a recent paper by Dr. Alan Budd of the London Business School for an Institute of Economic Affairs seminar.

Dr. Budd's argument was that the Treasury has become the primary and virtually exclusive source of official opinion on economic matters. This is partly because Whitehall pioneered the ideas and techniques of demand management, but the monopoly has been strongly sustained by the Treasury's tradition of secrecy.

On this view, the danger arises from the control the Treasury exercises over the policy debate. Dr. Budd argues that the Treasury can become so identified with a policy that it takes on some of the qualities of a party and the presentation of a united front becomes more important than the disinterested pursuit of truth.

Dr. Budd, who was formerly a Treasury economist, argues that an outsider submitting advice is on completely unequal terms with officials. But he notes the view within the Treasury that the officials themselves suffer because their advice is secret. Consequently, views can be readily swept aside by the latest scribblings of journalists (or academics who write for newspapers) and these views receive more attention than they deserve. Mr. Healey himself is certainly aware of outside comment—judging by his habit of cutting up newspapers and reading circulars and magazines during train journeys.

Dr. Budd's solution is only convincing up to a point. He argues that the Treasury should be reorganised to perform the role of a secretariat rather than, as at present, a pressure group. An external co-ordination unit would be created to organise and assess external views, alongside in-house analysis. The advice of the central policy co-ordination unit would be based on both these sources.

Assumptions

These suggestions are sensible but they tackle only one side of the criticisms which the Treasury has brought on itself by its secrecy. It is important not only that the Chancellor hears the views of outsiders but also that outsiders should know what is happening within the Treasury.

As Dr. Budd recognises, the publication of more complete forecasts since the 1975 Industry Act has not produced the slightest benefit to the management of the economy. For instance, last November's forecasts bore no relation to those used internally for policy decisions because of different pay assumptions. And even if the numbers are genuine they are published after the relevant policy decisions have been taken.

The real need is for a wide range of numbers and policy papers to be published, not just the figures supporting the final decisions. After all, for a few years after the last war projections were published in the Economic Survey in advance of the Budget. Increased openness works both ways and such changes might disarm the Treasury's critics as much as the institution itself.

WEST GERMANY

Industrial balance of power

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

WHATEVER government is returned to power in today's election, one of its principal tasks will be to attempt to establish a stronger basis for peace on the industrial front. It may take a long process of education, and even of legislation, to bring home the fact that in a technologically advanced and highly concentrated economy the prosperity of an enterprise is as much in the interest of employees as it is in the interest of shareholders. The conventional assumption that the interests of the enterprise are identical with those of the shareholders owning it is now the subject of a debate on both sides of the Atlantic.

The first judicial contribution to this debate has now been made by the German Constitutional Court which in its judgment of March 1 (the full text of which has now become available) clearly took the view that a large industrial enterprise must be seen as a social as well as a purely economic institution.

The Court has rejected complaints of unconstitutionality lodged by German employers against the latest version of the Mitbestimmungsgesetz—the German industrial democracy law. Passed nearly three years ago the law, which became fully effective last summer, provides for almost equal representation between shareholders and workers on the supervisory boards of some 650 German companies with more than 2,000 employees. The equality of representation is not absolute as at least one of the worker directors must be a senior executive of the company, and the chairman, elected from the shareholders' side, has a casting vote in the event of a tie. Moreover the employers particularly dislike the fact that the legislation opened the boardroom door to trade union officials not employed in the enterprise. Two or three can be now elected as employee representatives.

The Constitutional Court found it easy to reject this particular objection by pointing out that representatives of German banks sitting on supervisory boards (as shareholders' representatives) are also outsiders. This ruling echoes the old social democratic argument that worker directors are necessary as a countervailing force to the banks whose interest may be alien to that of the enterprise and who are not party to the traditional loyalties existing between management and employees in German industry.

Though receiving less publicity than the workers' directors issue, the right and wrongs of bankers' industrial power has been hotly contested for years and the German Monopolies Commission has proposed that their equity participation should be restricted to 5 per cent of any enterprise.

The basic concept of the Constitutional Court comes out most clearly in that part of the judgment which admits that the legislation represents a certain restriction on entrepreneurial freedom. "This is the price," said the Karlsruhe judges, "for supplementing the business mandate of the management of a large enterprise with a social mandate—a price for the cooperation and integration of all who work in the enterprise whose contribution of capital and labour is indispensable to its existence and efficiency."

At the same time the Court reassured the employers by making it fairly clear that the legislation had gone as far as the constitutional framework allowed. However, much will depend, said the court, on the practical application of the measures, and whether employers and employees will co-operate or not.

The Court was particularly careful not to burn its bridges when dealing with the complaint that the presence of trade union representatives on supervisory boards would end free wage bargaining (between employers' associations and trade unions) because employers would have representatives of the other side in their midst. After a lengthy dissertation on the theme that the system of collective agreements and wage determination by adversary methods was neither the only possible one nor the only one prescribed by the constitution, the Court concluded that there was no need to assume that the legislation would bring it to an end. However, said the Court, should experience show that the present law was not sufficient to safeguard effectively the associations of employers from interference by trade unions, it would be up to the Bundestag to provide a remedy.

The Court was emphatic that the strengthening of workers' representation on supervisory boards did not infringe the constitutionally guaranteed freedom of association. Such a possibility might arise in the case of small entrepreneurs forming a company in which they continued to work as individuals but the Court doubted whether the constitutional guarantee of freedom of association was meant to benefit large capital-based companies where the personality of individual shareholders had little significance.

Enterprises operated by such companies embraced providers of capital as well as employees. Only the free co-operation of the two groups could guarantee that the aims of the enterprise would be achieved.

The inapplicability of the constitutional safeguards of free association was even more evident, said the Court, when a company was formed not by individuals but by legal entities such as was often the case in companies which were part of groups and whose shares were held by holding companies. Also the fact that voting rights often had no connection with individual membership but followed only the magnitude of invested capital, and that voting rights could be exercised by proxies who were complete outsiders, was seen by the Court as evidence that a company was more a device for the accumulation of capital than for the association of persons enjoying the constitutional freedom of association.

One In A Million another for Warren Place records

RACING

BY DOMINIC WIGAN

SIR NOEL MURLESS sent out six One Thousand Guineas winners from Warren Place, and his successor Henry Cecil, looks all set to add to the stable's outstanding post-war record through One In A Million.

Although many of the supposed "good things" for recent Guineas proved ignominious failures, and the last four Newmarket classic winners, Nebbiolo, Roland Gardens, Mrs. McArdy and Enstone Spark, were returned at 20-1, 28-1, 16-1 and 35-1 respectively, there is every indication that One In A Million can turn the tide.

Anticipated odds of about 5-4 will make little appeal to many, but on this occasion a search for an alternative at more attractive odds could be folly. Not only has One In A Million done nothing wrong in her three appearances, but in landing the Ladbroke Nell Gwynn Stakes the Newmarket filly put up the most impressive trial performance by any classic candidate this season.

Her display in that race was undoubtedly that of a top-class miler, for Joe Mercer twice asked her to quicken and on each occasion the response was instantaneous. Sent into the lead more than three furlongs out, One In A Million—a well-balanced Rarity filly—then fell back before regaining the advantage with a burst of speed which carried her through a narrow gap between beaten fillies.

From that point on, the result was never in question and it was simply a case of by what margin she would inflict a defeat on the long-time favourite for today's classic, Devon Ditty. At the line, One In A Million was five lengths ahead.

Although Devon Ditty may not have been fully wound up in the Nell Gwynn and was attempting a formidable task in trying to concede 7 lbs to a filly a good deal earlier than herself, the prospects of a turnabout strike me as virtually non-existent.

A better each-way alternative to Devon Ditty, whose chance of getting a mile (a furlong further than the Nell Gwynn) in a fast-run race appears only marginally better than that of her reversing placings with the favourite, seems to be Lyric Dance.

NEWMARKET

2.00—Rabdan
2.30—Sea Chimes
3.05—One In A Million***
3.35—Ambler**
4.10—Gusty's Gift
4.40—Mill Street
5.00—Hence*

TV Radio

THURSDAY MAY 3 1979
† Indicates programmes in black and white

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9.41 am Schools. 12.45 pm News. 1.00 Pebble Mill. 1.45 Mr. Benn. 2.00 You and Me. 2.15-3.00 Schools. 3.55 Play School. 4.20 Boss Cat. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South-east only).
6.20 Nationwide.
6.50 Top of the Pops.
7.15 Blankety Blank.
7.50 "The Day of the Dolphin" (film) with George C. Scott.
9.30 News.

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11.05 News.
11.20 An Evening out with Andy Williams.

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F.T. CROSSWORD PUZZLE No. 3,962

ACROSS

1 Inefficient group of workers do not get so much (9)
6 A skin eruption in a very hot state (5)
9 Regret accepting exercises for money (5)
10 Coming down to connect with part of hospital (9)
11 Product of plant making two types of food (10)
12 Cowshed near to soldiers (4)
14 Easy when man follows in centre of vessel? (7)
15 Turn north-east before field and fence (7)
17 Televises coarse riddles (7)
19 Gift to give now (7)
20 Possesses gas but it makes a mess (4)
22 Collides with stolen ball (6-4)
25 Document case in office of minister of state (9)
26 Look to employ a pest (5)
27 Electrical unit never contracted with power initially inside (5)
28 Money for occupancy, just a little torn up (5-4)

DOWN

1 Cancel? It's a wash-out! (3)
2 One who sues one politician and prime minister (8)
3 Where a person works, but gets nowhere (5-5)
4 Observe a little sign of crying (6-4)
5 Fish for South African religious leader to eat (7)
6 Airman he follows in pain (4)
7 Nothing to change but a seed-vessel (5)
8 Branch of society men start toting for accommodation (9)
13 Conceal action in players' dialogue (10)
16 Young lady happens to omit postscript, being out of form (9)
16 Pete Murray's hospitality to all comers (2, 5)
18 Fish to cut in curves (7)
19 Card game—it could be bridge (7)
21 Small fragment to discard (5)
23 What doctors do to provide entertainment (5)
24 Article airmen brought up from a distance (4)

Solution to Puzzle No. 3,961

ENTERTAINMENT GUIDE

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Lyttelton

For Services Rendered by B. A. YOUNG

Though the play is set in 1932, and the first world war has been over for 14 years, all Maugham's characters in *For Services Rendered* are still obsessed with it. Having passed through the second world war, it is hard for us to remember what shocks that other conflict imposed on English middle-class society. Class barriers were broken down ("Temporary officers must remember that they are also temporary gentlemen"); the romance of soldiering was destroyed both by the dreadful nature of the fighting and the fact of compulsory service; when the war was over, men who had never had to work found themselves compelled to go into trade or starve.

The Ardsley family, an updated version of the Prozorovs in *Three Sisters*, feel the post-war backlash in various ways. Sydney is blind, and his sister Evie has heroically taken on the task of looking after him, thus depriving herself of a life of her own. Another sister, Ethel, has married a small farmer who enjoyed the freedom the war gave him and reminds himself now and then that His Majesty had made him a gentleman, though he is now a common little drunk. Gwen has married wealthy Wilfred Cedar, who never talks about soldiering and was presumably a "profiteer." Lois, the youngest girl, is hard and thoughtless.

Maugham, being an old-fashioned craftsman, provides all his characters with a sub-plot each, mostly of a romantic nature; but being given to stirring things up, he does not offer them happy endings. Self-sacrificing Evie (Alison Fiske) imagines escape by marrying Collie (John Quayle), the ex-Naval Officer DSO who runs a garage; but Collie has such business troubles that he shoots himself, and she goes gently insane. Lois (Elizabeth Romilly) calmly decides to elope with Gwen's husband, tellingly played by Peter Jeffrey—a proceeding that the family seems to do little to stop. Charlotte (Jean Anderson), the materfamilias, is given three months to live. Sydney (Harold Innocent) puts it all down to the war, and goes on, in a speech that must have had more power in 1932 than it does today, when its sentiments are conversational small change, to indict the governments under whom wars are allowed to begin.

I thought during the first act, when the characters assemble on the lawn in the first of Carl Tome's beautiful realistic settings, how right it was that an American, Michael Rudman, should be directing the play, someone who could have no preconceived ideas of how these characters behaved. This became a disadvantage when it transpired that not many of the players had such ideas either, or at any rate no consistent ideas. Lines like "It seemed such a pity to object to a man because he was just a small tenant farmer" are spoken as if from a rubric in the prayer-book, whereas they ought surely to be lightly thrown away.

It would not be surprising if the players were self-conscious about the pomposity of some of Maugham's lines—Leslie Sands as Leonard, the head of the family, for instance, consoles himself for having been too old to serve in the forces with the recollection that he "had himself enrolled as a special constable," an honour which he invests with as much dignity as Collie's DSO.

Too often I felt that Maugham was dealing with the duologues into which so much of the play resolves itself with dialogue that made its point but offered no other pleasure. All the same, this is a well-made play, and for all the snobbery of its characters, and the vulgarity and cheapness of some of their actions, it is a play written from the heart, designed to emphasise that the casualties are not the only harm that war inflicts. It can mar society for long after the hostilities are over. It is true that the society Maugham concerned himself with was nothing to mourn over, and that there were infinitely worse tragedies at other levels of the population; but this was the shot that he had in his locker, and he discharged it as effectively as he could.

Leonard Burt

Elizabeth Romilly, Ian Hogg, Harold Innocent and Barbara Ferris

Record Review

Barenboim, Zimerman, Ax, Grainger

by DOMINIC GILL

Schumann: Fantasie op 17, Kinderszenen op 15, Arabeske op 18. Daniel Barenboim. DG 2531 089 (£4.75)

Chopin: Piano concerto No. 1 in E minor. Krystian Zimerman, Los Angeles PO/Giulini. DG 2531 125 (£4.75)

Chopin: Piano concert No. 2 in F minor, Trois nouvelles etudes, B flat minor Scherzo. Emanuel Ax, Philadelphia Orchestra/Ormandy. RCA Red Seal. RL 12868 (£4.25)

Grieg: Piano concerto. Percy Grainger (on Duo-Art piano roll) with Sydney SO/Hopkins.

Grainger: Orchestral pieces, cond. Stokowski and his SO. RCA Red Seal RL 10168 (£4.25)

We now have new recordings of Schumann's C major *Fantasie* from the three most important pianists of the younger middle generation. Pollini's is majestic, cut in crystal, caressed by fierce and tender breezes. Martha Argerich's is blown by a gale, and to my mind one of the best things she has ever recorded: wild and glittering, threaded with marvellous poetry, for all its passing strangeness, powerfully coherent. And now Barenboim, too, offers a performance of the greatest distinction, and utterly different from either.

It is set apart chiefly by its clarity, its calmness of texture and gesture. At his best, Barenboim has the remarkable gift of allowing his performance to unfold smoothly and naturally—cutting through and discarding all kind of expressive dross—without ever sounding prosaic. And here he is unquestionably at his best: it is by far the most "natural" seeming of the three *Fantasien*. Each phrase seems to take its own time, its own breath; there is not, from first to last, a single self-conscious interpretative punctuation to interrupt the flow. It is a story told of events long past: by now the memories of anguish in the first movement's Legend are smoothed away. In the second movement, perhaps I miss the flash and fire of Argerich, in the dotted rhythms especially. But the mood is more introspective, lyrical, in its own way wholly engaging: Barenboim's climaxes (the *piu mosso* coda is almost shyly restrained) are always more grand than frenzied.

The heart, and still centre, of the performance is the finale—a true *lento sostenuto*, distillation of intimate song, and intimate, loving glance, dark and deeply sighing. The DG sound-quality is excellent, warm and close. As I am constantly at pains to point out to those who approach me for Best Buys: beyond a certain point there are no better performances, just as there are no better performers, but only different ones. I'd not be willing to forfeit any one of these three new *Fantasien*: on a Desert Island, each has its honourable place.

Krystian Zimerman is the young Polish pianist and Warsaw Competition first prize-winner whose Elizabeth Hall debut last year, and subsequent disc of Chopin Waltzes for DG, I have already praised highly on this page. Nothing I have heard has as yet contradicted my first impressions that he is a very exciting young pianist indeed. His new account of the Chopin E minor concerto is masterly: sparkling with vigour and effortless bravura, beautifully articulated, strongly sustained. But with the fire and energy, there is also a fine measure of careful control and balance—some would call it "classical poise"— gracefully mixed. Giulini's accompaniment is discreet but tireless, matching Zimerman's every youthful rush and surge. The DG sound again is very good. An exhilarating record, highly recommended.

There are many good things also to be said about the F minor Chopin concerto of Emanuel Ax—another young pianist, of Polish origin, whose career was also launched by winning a competition, in Ax's case the first Rubinstein Competition in Israel in 1974. The tremulous drama of the larghetto especially is beautifully conceived and executed, its half-lights, as well as the broad outline, finely drawn; and the finale is done with great spirit, touched with some nice humour. Sometimes Ax lacks Zimerman's mercurial impulse: just occasionally, notably in the first movement, the flow of the music seems by comparison a shade earthbound, constrained. But comparison is probably unfair: Ax paints Chopin in different colours, and his palette if anything has a wider range—quicker, more subtle in its response. It is a brilliant performance, better than anything I have heard Ax give live in London, and it deserves success.

The Australian-born composer Percy Grainger (1882-1961) was better known to audiences during the greater part of his lifetime as a distinguished concert pianist. He was famous in particular for his performance of Grieg's piano concerto—which he had studied with Grieg a few months before the composer's death in 1907, and which Grainger subsequently performed hundreds of time under a score of conductors right up until the early 1950s. After the Second War, he tried to persuade various gramophone companies to record his performance — he seems to have been deeply convinced that in some way he was the "authorised" exponent of the work—but always without success. The only surviving Grainger performance of the Grieg is therefore a Duo-Art piano roll that he cut for the Aeolian Company in New York in 1921, to which was added his own arrangement of the orchestral part: and it is this roll with the orchestral additions blanked out, that RCA use for their "new" recording.

The problems of preparing a live orchestral performance with a mechanical soloist must have been enormous: but John Hopkins and the Sydney Symphony Orchestra seem to have overcome them convincingly. The result is a robust account of real presence and character—a historical document that is more than just a curiosity. Pungent too, and in places odd: but not eccentric, delivered with fervour, but never hastily or carelessly turned. As a performance it grows on one: for all the circuits and levers between finger and ear, Grainger is unmistakably there.

The flip side, in every sense, offers seven of Grainger's most popular orchestral confections, recorded by the composer with Stokowski in New York in 1950. They are all of them rumbustiously charming and extraordinarily vulgar: but they have a certain memorable insistence, and in the three items particularly in which Grainger himself plays, *Handel in the Strand, Country Gardens*, and *Shepherd's Hey*, a fine ring of manic authenticity: and as yet another leaf of the historical document—Grainger was a great deal more fascinating as a man, and a theorist, than as a composer—they are genuinely touching.

Daniel Barenboim

Elizabeth Hall

Zoroastre by RONALD CRICHTON

The fourth of Rameau's great tragédies lyriques, *Zoroastre*, was heard in Britain for the first time on Tuesday evening—the latest in a series of major Rameau revivals by the English Bach Festival. They have changed our musical landscape from two points of view, concerning French baroque opera in particular and grand opera in general. To those who know the workings of this extraordinary festival it will come as no surprise if one says firstly, that the evening was a curious occasion, secondly that in spite of peculiarities it was well worth while.

Zoroastre, like other big works of Rameau, exists in two versions. It was first given (in Paris) in 1749, then re-worked seven years later with a new character added (Oromases, King of Genii) and considerable alterations to three of the five acts. It was this 1756 version that Miss Lalandi and her team chose. Wisely, in view of the length of the opera and the amount of work entailed in making a new edition (by Graham Sadler), to say nothing of other problems, it was decided to give, not the complete score, but major excerpts.

The original idea had been to have the EBF Dancers perform the ballets in which *Zoroastre* abounds, in costume. That proved impracticable. So instead they started the evening with a repeat of Rebel's *Les Elemens* seen on the first night of the festival. A mistake—even with presumably considerable cuts, *Zoroastre* kept the large, patient, well-disposed audience in its seats until 11 o'clock. The singers for *Zoroastre* were, however, in costume. Since their stately (and on the whole well managed) comings and goings threw little light on the action and brief explanations by an unseen narrator did not add much more, Rameau's divertissements, which he and his librettist Cahusac had taken such trouble to integrate into the action, lost, as given here, a good deal of their point.

The opera's hero is better known to us as Zarathustra. The plot has two main threads—an elevated struggle between good or light (Zoroastre) and evil or darkness (Abramane), and a mundane struggle for the hand of the princess Amélite. Abramane is backed by a wicked princess, Erinice, Zoroastre by Oromases, whose function is not unlike that of the Speaker in *Die Zauberflöte*. The happy end is reached after a sequence of spectacular events calling for scenic elaboration unusual even by the standards of Rameau's day. Nothing of this could be hinted at on the Elizabeth Hall platform. So although the music was generally well done, we only had peeps and squints at what *Zoroastre* must really be. Miss Lalandi must do the opera again another year either as a straight concert performance or simply staged in the manner of her *Hippolyte*.

One doubt concerning the musical side on Tuesday. Andrew Parrott, who conducted, kept up a creditable level of vivacity and clear-cut phrasing from the EBF Orchestra and Singers. But from my seat at least there were strange things about the balance. Seldom has Rameau's scoring, usually so varied, ingenious and surprising, sounded so uniform, so reliant on violins—the baroque instruments were welcome in the quick music where they move with agility, but in sustained writing their vile whine cut through everything. Flutes came through, demurely. Oboes were heard occasionally and not pungently. Girdlestone in his book on Rameau praises the writing for the basoons in this opera, but one caught scarcely more than a tootle or two. Some pages, especially the remarkable ones concerned with Light and the Sun, made a strange, rather beautiful effect, like a baroque *Lohengrin* with the brass left out.

The solo singing had a vigour, confidence and, when required, sweetness, not always heard in Rameau. Michael Goldthorpe delivered the high tenor title role with an admirable combination of those qualities, avoiding both the strains and the mincing affectations to which takers of these fearsome roles are often prone. The two princesses, Amélite the good and Erinice the wicked, were most effectively contrasted by Anne-Marie Rodde and Felicity Palmer. Michael Rippon sang full-throatedly as Abramane, Ian Caddy as Oromases gave an object-lesson in stylishness, John Tomlinson as Vengeance was impressively if monotonously loud.

In *Zoroastre* Rameau developed his flexible form of recitative, slipping in and out of short airs or duets, to new lengths. But the score is also rich in sizeable arias—Amélite has a charming one quite soon in the first act, just before the instrumental version of *Les Tendres Plaintes*, better known as a harpsichord piéce. There is a fine bravura number for Zoroastre in Act 3, which somehow doesn't clash with the general serenity of his music. In the last act the lovers have a substantial duet. There are choruses of great variety, brightly sung. One of the most memorable was the simple unison strain for sopranos (surely Gluck knew it) at the first entrance of Amélite. Somehow or other we must hear the riches of *Zoroastre* again.

International quartet prize

The City of Portsmouth's first International String Quartet Competition has been won by the Takacs-Nagy quartet, from Hungary. The award, announced by Yehudi Menuhin, president of the jury, is £3,000.

Second prize (£2,000) went to the Endellion Quartet (Great Britain), leader Andrew Watkinson, and third prize (£1,000) to the Audubon Quartet from the U.S.

Staatsoper, Munich

A Bournonville celebration

Twenty-five years ago it would have been unthinkable that this year's centenary of the death of August Bournonville should be so widely and so handsomely celebrated. But in 1953 the Royal Danish Ballet ventured in force to Covent Garden to reveal the splendours and delights of its Bournonville heritage and the excellence of its dancers. Thereafter tours round the world, and the world's eagerness to acquire the style and the ballets of Denmark's choreographic master, have taught us to know and love both the dramatic vivacity of the works, and the joyous grace of the dance manner they enshrine. So, in this centenary year, Scottish Ballet will have an Edinburgh season devoted to Bournonville; Festival Ballet will acquire *La Sylphide* in a staging by Peter Schaufuss; the Munich Ballet under Lynn Seymour presented a Bournonville evening on Sunday, on which I am reporting; a concert group of Danish stars will make a short tour in the U.S. and Europe with a divertissement programme containing some rarities of the Bournonville repertory; and in November the Royal Danish Ballet will present a festival containing seven different programmes to honour their presiding genius. It is some comment upon the validity of Bournonville's ballets, and on the undiminished beauty of his school, that his greatness should seem all the more apparent, and the challenge of his work all the more demanding, a hundred years after his death.

The Munich evening, the opening of a festival Ballet week, brought an admirable new production of *La Sylphide* preceded by a divertissement, and it showed the Munich Ballet — now under the direction of Lynn Seymour — in fine fettle. The *Sylphide* is produced by Poul Gnatt and Kirsten Ralov of the Royal Danish Ballet, and decorated by Andrzej Majewski, a leading Polish designer. Majewski has provided entirely excellent sets and costumes: a first act baronial hall that recalls the manner of Ciceri, greatest decorator of the Romantic theatre, and a second act glen of shadowy, dream-like mystery (albeit I found the stage badly under-lit — the charm of a sunrise that should comment upon the sylphide's delight in showing James her realm was missing). Majewski is also good on kilts and bonnets: just slightly less so on the women's kirtles, which tend to an untypical lightness; and ideal on the sylphides' dresses — simple, unfussed, delicate.

The production insists upon clarity and momentum in recounting the drama. One might almost find it unrelenting in its onward drive in act one, but it catches that feverish quality of French romanticism which Bournonville so deplored but had to copy, reluctantly, in this least typical of all his ballets. The unease and spiritual disquiet that underlies the narrative — local colour as dressing for an opium dream; Berlioz's *Symphonie Fantastique* with a reel instead of a waltz —is one of the oddest aspects of *La Sylphide*, and one which, wittingly or not, this staging brings sharply into focus.

The mechanics of the first act's dance action, that superbly wrought contrast between the real and the illusory, between the sylph skimming through the hall and through James's dreams, and the buoyant dances of his friends, are well brought off. The sweet evolutions of the sylphides in the second act, decorously pretty, intangibly beguiling, are no less satisfying, and three central performances provide a sure heart for the drama. Joyce Cuoco is the sylph. Known in London only from appearances with the Stuttgart Ballet some years ago, she has always been celebrated as a dancer of quite exceptional technical abilities—a style so easy that prodigies of pirouettes, springing leaps, seemed commonplace. As the sylphide her talents have found an ideal vehicle. Her manner is gentle, unemphatic; her dancing, for all its respect for the ballet's period, has moments of amazing virtuosity—her ballon in the second act solo is so high that she appears, very rightly, more of the air than the earth: a multiple pirouette recalls the description of Taglioni in just such a step "lulled by it into a smiling and child-like dream"; balances find her poised, unperturbed and hovering, as if caught for a moment in flight.

Peter Breuer is James, dancing with fine bravura. If he misses something of the inwardness of the character, the feeling of a man caught in a desperate crisis that Niels Kehlet has taught us to see in the role, Breuer yet gives a bold and convincing account of the part, and he revels in its virtuoso demands. And as Madge, Lynn Seymour makes a vengeful, dominating figure of the old witch: a moment of defiance with James in Act 1 is a long-held and terrifying pose, arm upraised; her prompting of Gurn in the glen and her final triumph over James, given a malevolent demoniac glee.

The Bournonville divertissement, which opened the evening was mounted by Kirsten Ralov and Fredbjorn Bjornsson. It was the customary admixture of the sextet from *Napoli*, the trio from *Abdallah*, and the duet from *Flower Festival in Genzano*. It stressed, as *La Sylphide* did not, the fact that to dance Bournonville correctly the interpreter must be trained in the style from the schoolroom: nothing else will prepare the feet, give that lightness to the leg and vitality to the thigh, enliven the quick flexings of foot and knee, and instil that resilience and buoyant grace to the body, which are the hallmarks of the Bournonville manner. The Munich cast did well enough according to their lights—they looked happy, and one soloist, the delightful Louise Lester, showed herself a musical and fleet executant, with an unaffected and generous style. All in all, a fine start to Bournonville year: and a feather in Lynn Seymour's directorial cap.

CLEMENT CRISP

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A change of direction

If the election campaign had been fought simply on the record of five years of Labour government the issue would not be in doubt. In terms of inflation, output, unemployment, this country has done worse than any of its major industrial competitors. This miserable result has been achieved in spite of the fact that we have had the steadily growing benefit of North Sea oil production. To say that we as a nation have totally failed to grasp the opportunity which the discovery of a most valuable natural resource has given us is to put it mildly.

To judge the five year period as a whole is, however, to some extent unfair. The first two years under Sir Harold Wilson were a total disaster. Undoubtedly the inheritance was a difficult one. But virtually everything the Government did compounded the many problems. It was not until the autumn of 1976 that external pressures brought a sense of realism to what was by then Mr. Callaghan's administration. The achievement of the Prime Minister and Mr. Healey—who learned his lessons the hard way—in averting a major disaster was and remains a considerable one.

Lessons forgotten

It is true that since last year's Budget the performance has been less convincing. Control over public spending has been relaxed. Inflation is tending upwards again. There are all too many signs that the lessons so painfully learned less than three years ago have been in part at least forgotten. Were it not for the doubts which many people feel about the Tory leadership, the overwhelming feeling would be that the Tories could not possibly do worse than Labour and might well do considerably better.

That these doubts are a crucial factor in the election reflects both on Mrs. Thatcher and Mr. Callaghan. Mr. Callaghan has sought to convey the impression that he is the safe choice. Don't let the Tories spoil it has been the Labour battle cry. What this country needs, he argues, is not conflict but a patient search for a solution to the country's economic problems which the trade unions will accept. The CBI is sometimes mentioned as a sort of afterthought. Labour, he maintains, will not rock the boat.

Mrs. Thatcher for her part has tried to convince people that what is needed is a genuine change of direction and that she can bring it about. There will have to be changes of policy, but what is really necessary is a new and different approach. Many who agree with her none the less remain unconvinced that as Prime Minister she would succeed in rallying the country as a whole rather than just her supporters. Labour has done everything possible to arouse the fear that her rule would be deeply divisive.

If we in this country had the American political system, the result would certainly be a Conservative Parliament with Mr. Callaghan presiding over the executive. But that is not a choice which is available. We have to decide on the basis of what the parties have in fact said during the run-up to polling day and on our judgment of what they will actually do in office. The basic choice, moreover, must be between the two main parties even though the Liberals have in many ways conducted the most attractive campaign.

Clear-cut choice

All parties have promised to cut taxes, Mr. Callaghan rather more grudgingly than the Tories and the Liberals. None of them have made a particularly convincing case on how they will make up the shortfall in revenue. All parties have accepted the need for the reform of the trade unions, Mr. Callaghan maintaining that the best, indeed the only way, is by voluntary means, the Tories making it clear that legislation has some part to play. Again all parties recognise that a reduction in the rate of inflation is essential if the country is to prosper. None has tried to explain in any great detail how this is to be brought about. Labour has described itself as the compassionate party. On law and order and punishment and on immigration, Mrs. Thatcher has taken a much harder, but probably popular line.

But when all has been said, and by this morning it has been, the question which the electorate has to decide is which of the two main parties will make the better fist of running the economy. For unless Britain's relative decline can be reversed none of the other objectives which our society as a whole sets itself can be achieved. And here the choice is clear-cut.

Mr. Callaghan believes in intervention. He is cautious, conservative, wedded to his belief that Labour policies which have been tried, tried and tried yet again will produce the right results in the end. He deeply mistrusts the market mechanism and seeks an ever increasing role for the state. It is Government and the two sides of industry which must produce growth, not the individual entrepreneur. It is the Government which must bring down inflation through the Price Commission rather than a combination of the right macro-economic policies and free competition. It is the Government's job to determine the pace and scope of industrial change through job preservation and the NEB, and through its industrial strategy.

A broader vision

The Tories in total contrast, believe that it is the role of the individual rather than that of the state which is crucial. It is against this general background that their promises to reduce direct taxation, to deal with such issues as the closed shop, their determination to cut government spending have to be seen.

They believe that not only the economy but our everyday lives are over-regulated, that the vision of the future held out by Labour is grey and drab and stifling of individualism. Judging by what has happened to this country it is an argument which cannot be rejected easily. It applies not only to domestic affairs but to Britain's place in the world and in the EEC. Labour's manifesto introduces the section on foreign policy with the statement: "The Labour Party's priority is to build a democratic socialist society in Britain." The Tories have a broader vision.

Whether that vision can be realised in the Britain of the eighties is what this election is really about. If the Tories were to make the attempt and fail, the chances are that the Labour government which succeeded them would lurch further to the left, towards more interventionism, greater isolationism, further curtailment of personal freedom and choice. Yet in our view that risk is one that has to be taken. The time to arrest the trends of decades of post-war history is now. The task will have to be approached with great care and patience. No one can be certain that the Tories will succeed. But they must be given the chance to try.

ECONOMIC VIEWPOINT

The 'problem' of pay in the public sector

BY SAMUEL BRITTAN, Economics Editor

IT MAY seem paradoxical to put the "problem" of public sector wages in quotation marks when some of the weightiest briefs facing returning or incoming Ministers will have this title. It is nevertheless arguable that the label is a systematically misleading one.

For the thought behind it is that whatever happens in the private sector the Government as an "employer," "must" have a policy for the 7m workers in the public sector. This brings one back to pay norms and incomes policies — which have been thrown out as much by the TUC as the old House of Commons—and all the traumas of the 1970s.

For we should make no mistake. The compromise idea of a pay policy for the public sector alone will not stick. Public sector unions will rebel—and rightly—against the imposition of pay norms which do not apply equally to private industry. The battles and the resulting compromises will probably result in higher settlements than with no such policy. This will become apparent as the Clegg comparability awards are added to the provisional settlements already negotiated.

Nor are "cash limits" a magic device which if pursued with sufficient rigidity and fanaticism will produce the effects of pay policy without the name. Cash limits are simply public spending targets in actual money which most governments have always used but which in Britain were dropped and then reinvented under a fancy name.

Fluctuating fortunes

The key feature of any chart of public and private sector wages is that however volatile the year-to-year movements—themselves largely reflecting the fluctuating fortunes of pay policy—there is a remarkable long-term stability in the ratio of public to private sector pay. But if any particular year, say 1979-80, public sector wages rise faster, this increases the cost of the government's spending programmes. It will become more expensive for a returning Labour Government to fulfil its original expenditure plans and more difficult for an incoming Conservative Government to cut back the growth of public expenditure.

The problem for 1979-80 is that the estimates of public spending in actual as distinct from funny money—and therefore of the borrowing requirement—are too low because they are based on the defunct 5 per cent pay norm, together with Mr. Callaghan's "low pay" concessions and a few deferred higher settlements, such as those of the police and firemen due to come into effect in 1979-80. The promised Clegg supplements to existing pay deals, not to speak of settlements such as the Civil Service one not made when the cash limits were published, will add further to spending.

There simply is not room for cuts in the overall tax burden. Real spending cuts will be required simply to allow the indexation of the tax starting points and thresholds, even if the Excise duties are indexed too.

The initial Treasury instinct is to finance from the contingency reserve wage increases not taken into account in the existing spending estimates. There are two reasons for misgivings here. First, the contingency reserve, fixed at £800m for 1979-80 in the Public Expenditure White Paper, may not be large enough. Second, earmarking in this way defeats the whole purpose of a reserve, which is to have something in hand for totally unexpected developments which otherwise might swell the public expenditure total.

An alternative approach, favoured by some politicians, is to say: "We will honour comparability awards, and make manpower economies to stay within the cash limits." But with the cash limits fixed at unrealistically low levels, this will not work either.

As far as central government is concerned, natural wastage accounts for 8 to 12 per cent per annum of all employees. If one excludes those whose replacement is indispensable, stopping recruitment could save about 4 per cent of manpower. But as this possible wastage builds up to this figure over 12 months, the actual economies possible in the fiscal year from such an approach are about 2 per cent; or 40,000 people.

Why, then, was Mr. Joel Barnett briefed to adopt such unrealistic cash limits? The rationalisation is as follows: Even if the limits had been based on the going rate of wage increases in the private sector, the inevitable "catching-up" public sector awards from Clegg would be so large that even the more generous cash limits would be exceeded and discredited. That was why Mr. Barnett announced that cash limits would be adjusted for future wage awards, but not completely. This way, it is argued, he was not discrediting cash limits because he was not announcing them, but simply giving programme managers a good-enough idea for them to run their affairs.

An additional attraction of the approach was that the non-wage half of cash-limited spending could be tied to last autumn's 8 per cent inflation forecast. If inflation turns out to be, say, 10 to 12 per cent, this will enable the Treasury to make a modest back-door cut in the volume of public spending by buying less from outside suppliers—or even just deferring the payment of bills to them—without the embarrassment of reducing government personnel.

I can see the administrative convenience of this, but think it will only store up trouble. It would be much better to recalculate now a realistic cash limit figure, making no distinction between pay and other spending and based on the actual rather than hoped-for inflation rate. This would leave any cuts in the growth of Government spending to be made by the front door.

Of course, even such a revised cash limit figure will not be Holy Writ. If the inflation rate is a couple of per cent higher than expected, maybe public sector managers should trim their sails. But if it is anything more, then cash limits will have to be adjusted upwards. The point of cash limits, as of corporate budgets or any other planning totals, is simply that increases should not be automatic, as they became under the old Parliamentary estimates, but should have to be justified, with the onus of proof on those who want to increase them.

Pressure on cash limits due to "relativity awards" raises more difficult issues. With more realistic limits, and the recruitment savings outlined, any overrun would not be more than a couple of per cent. It would, moreover, be directly due to the rebound from the last phases of pay policy, when public sector pay was squeezed relative to the private sector. In the two years 1976-78, public sector pay rose by about 7-8 per cent less than pay in the private sector. This was simply reversing a distortion in favour of the public sector that took place in the middle 1970s. Public sector unions have reacted to the past two years' squeeze rather than the longer term trend.

A "toughness" that ignores these facts will be just like the old Heath battles over pay norms, or his earlier attempts in the "N minus One" phase to use the public sector as a battering ram against wage inflation.

The most important point is not the technicalities of cash limits, but to move away from the theology of comparability. The latter principle is useful only if it is kept to narrowly defined groups. The tendency to comparable net rewards among people with similar abilities and education—and allowing for differences in leisure, security, conditions and so on—was noted two centuries ago by Adam Smith. This came about simply through people moving from worse- to better-paid jobs and thus creating market pressures towards equalisation. Comparability can be a highly approximate substitute in limited areas—say the Civil Service proper, which accounts say for less than a tenth of public sector employment. It could be used in return for no-strike agreements in a few essential services mentioned in both the Labour-TUC concordat and some Conservative statements provided that areas are very strictly limited.

Anything like universal comparability studies would, however, be a circular exercise. Such studies can only suggest a wage if earnings rates have already been established by market forces or collective bargaining elsewhere, so there are agreed wages with which to compare the sector in question.

Even then, the exercise is a highly political piece of diplomacy. For instance, in the current claims before the Clegg Commission, the local authority and National Health Service manual workers are arguing for general comparisons with manual workers as a whole, while the Treasury is insisting on "job-for-job" comparisons—comparing say, hospital porters with porters elsewhere.

Some of those most closely involved in setting up the Clegg Commission are worried that too many references were thrown at it, simply to stop the politically damaging public service strikes of last January as early as possible, and that this may discredit the whole exercise. Before Clegg was appointed there was a Civil Service Pay Research Unit, and separate review bodies for "top" public sector salaries, doctors and dentists, and the armed forces. There is a case for amalgamating the research staffs and procedures of these bodies; but to try to extend them into a pay board for the whole public sector would be a fool's errand.

There is, in the end, only one adequate way of adjusting relativities in the public sector which is no different from that of the private sector. If, at going wages, there is a shortage of a particular grade of workers, there is a clear need for an upgrading. The less welcome side of the same coin is that where workers are in excess supply a downgrading has to take place. The adjustments can be made gradually to avoid a sudden shock to people who have committed themselves to a career long ago.

But supply and demand give no less humane or politically abrasive a guide to adjustment than some body of wise men who, however they wrap up their awards, are also influenced by a mixture of market forces and relative threat power. Indeed, Professor Clegg and Lord McCarthy, in an unpublished memorandum written for Mr. Callaghan, themselves pointed out that "comparability" is only one factor in wage decisions and that public sector employers are free to take into account market factors with all other relevant factors.

Indeed, it is possible to disguise supply and demand in the comparability language by saying, for instance, that a grade of workers in short supply has special skills differentiating them from their nearest equivalent, or that overmanned public sector jobs offer special amenities (such as on-site leisure) not available to private sector equivalents. The point about this gobbledegook is not that it helps industrial relations, but that many negotiators have been brought up to speak no other language.

It will help if those parts of the public sector directly subject to profit and loss constraints, such as the public corporations with their 2m workers, are regarded as no different in principle from the private sector — and are left to do what they like provided they do not ask for higher subsidies or borrow more from central government. In time, the local authorities, who employ 5m workers, should be given more revenue-raising powers and *de facto* as well as *de jure* wage negotiating responsibility.

Whatever the procedures, public sector unions are bound from time to time to score victories in raising wages to levels unjustified by the state of the labour market — or which the government says is unjustified, which is not the same. What then should be done? The number of options is limited. If it is central government, economies should be sought within the same sector, so that the trade-off between real wages and jobs (which is a fact of life) is made clear. In a nationalised industry prices should be raised as soon as possible, so that we can all see who is doing what to whom.

Total public spending

But suppose that economies cannot be reasonably made in the same sector or that the unions are powerful enough to prevent them. Then they should be sought in a wider category of public spending. The most important cash limit of all is that of total public sector spending, amounting to about £75bn in 1979-80.

There may be times when the Government is unable or unwilling to cut its spending because some service has been made more expensive. In that case the overriding constraint becomes the public sector borrowing requirement; and if necessary taxes should be raised as a lesser evil. In that case the tax increase should follow as closely as possible the normal expenditure increases making it necessary. And if the Government is not strong enough either to limit spending or to raise taxes, it should at the very least borrow from outside the banking system, even if this means higher interest rates.

It may not be popular to follow the worst branches of a decision tree on election day. But the above possibilities exhaust the available non-inflationary choices. It is better to face them frankly than deceive ourselves with pay boards, national economic fora and all these other devices which the political and administrative mind is so prone to invent as a substitute for genuine policies.

PUBLIC SECTOR EMPLOYMENT, (mid-1977)

	Thousands
Central government	
HM forces and Women's Services	327
National Health Service	1,155
Other central government (including UK Civil Service)	823
TOTAL central government	2,305
Local authorities	
Education services	1,561
Police (including civilian employees)	184
Other local authority services	1,254
TOTAL local authorities	2,999
Public corporations	
Nationalised industries (including the Post Office)	1,803
Other public corporations	286
TOTAL public corporations	2,089
TOTAL PUBLIC SECTOR	7,393

Source: Economic Trends Jan. 1979

MEN AND MATTERS

The fever-mostly mild attacks

While Callaghan sits out the night in Cardiff—where the election result will not be announced before 3 am—and Steel is ensconced in darkest Roxburghshire till a similar hour, Mrs. Thatcher will be able to nurse her Thursday night fever in relative comfort. The result in her Finchley constituency should be in by a civilised 12 pm, after which she plans to watch her fate unfold on the television screens at Central Office.

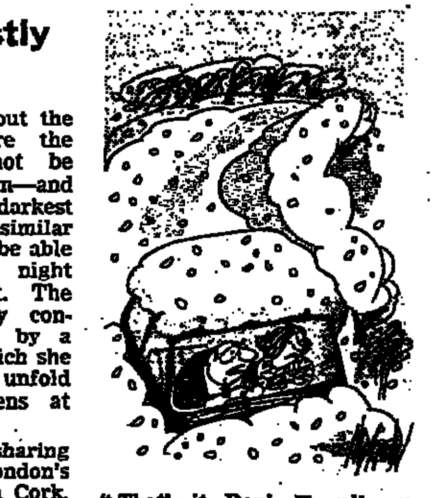
Not everyone will be sharing their excitement. London's Lord Mayor, Sir Kenneth Cork, 63, after a heavy day of rather tedious-sounding official engagements, proposes to doze off in *bed with his radio until the* result is clear, one way or the other.

The renegade Labour peer Lord George-Brown, 63, sounded less than amused to be asked how he would be spending tonight. "I shall be at home with my missus," he said grumpily, adding that he was "not making any statement" about whether he was gripped by election fever.

Down in his country home at Haywards Heath, 85-year-old Harold Macmillan is taking a similarly quietist view of it all. The supreme master of the small screen does not possess a television set, and will be turning in after listening to a few results on the radio (or, as he would doubtless say, the wireless).

Having stirred up a few hornets' nests with his remarks about the unions, Lord Denning is also keeping a hold on the fever. "Our television set has broken down," Lady Denning told me. "He'll go to bed early—he's not political in any way, he really isn't," she added firmly. "He takes an interest, of course."

In Coldstream, Berwickshire, Lord Home, 76, will be keeping a close eye on things: "I've got three marginals all around me," he said. "So there's quite a lot to watch up here."



"That's it. Denis Howell can say goodbye to my vote!"

All in all, the fever — on the basis of this somewhat selective straw poll — seems to be a fairly confined outbreak. Even Mike Yarwood, who has professional reasons for staying up, tells me he will probably turn in before the finale. "I've got two shows the following night," he told me. "I'll only sit with it if it's pretty exciting."

If the Tories win, their leader will be the first Prime Minister since Macmillan whom Yarwood, 38, is unable to impersonate. "I've tried doing Mrs. Thatcher, but it wasn't very good. So I stopped."

Sitting expertly

Civil disobedience has come a long way since the salad days of CND. The Torness Alliance, which is opposing the construction of a nuclear power station at Torness, East Lothian, has produced an "occupier's handbook." It will be distributed to all those planning to take part in the four-day occupation of the site this weekend.

It is an earnest document, working down from ready-made arguments against nuclear power to lists of what to bring in the way of food, first-aid supplies and the like. There are even tide tables, so that occupiers can do their washing without having to trudge over miles of wet sand when the water is out.

For the evening camp fires there is an appendix of anti-nuclear songs, including one jolly ditty to the tune of "John Brown's body": it is entitled "Reprocessed Plutonium."

Of most immediate interest to sitters-down will be the advice on what to do if the going gets rough. The booklet advocates a preparatory course of training with NARG, the Nonviolent Action Resources Group, but for the unskilled there are tips for when the fuzz grows forceful: "Most violence arises at the point where the attacker ceases to see or to relate to his/her victim as a person," the handbook says. So it suggests trying to establish a relationship—"Perhaps by approaching the attacker and introducing ourselves in a friendly manner."

Going it alone

Retribution has finally come for John Fairley and John Wilford, two senior executives of Trident Television. They have long been leading a campaign for a separate television company covering the East Midlands—and this has finally proved so embarrassing that they have been asked to leave the Trident staff.

Fairley is the head of Trident's news and current affairs. Wilford is in charge of regional programmes. Their scheme has formidable backing, including that of East Midlands politicians — notably James Lester, the Tory incumbent for Beeston, and Michael English, who has held Nottingham West for Labour since 1964.

But the whole idea produces desk-beating reactions in the TV world. An East Midlands service, covering 2m people in Nottingham, Derby, Leicester and Northampton, would not cut into Trident—which has the Yorkshire and Tyne-Tees franchise. But it would hack out a slice of Lord Grade's ATV empire, based on Birmingham.

Although Grade has put on an appearance of airy indifference, the Fairley-Wilford bandwagon will be rolling into the centre of the franchise battle later this year. So Trident chairman Ward Thomas has had enough: the two outgoing heads of departments will be giving up their posts in a matter of days, I gather, but are hoping to negotiate freelance arrangements.

To add to the ferment at Trident headquarters in Leeds, the head of education programmes, Peter Scroggs, has also said he is resigning. But that, it seems, has no connection with the East Midlands furore.

Warning shot

Taxi, the magazine of the Licensed Taxi Drivers' Association, this week hints at a macabre change of tactics in its campaign for higher fares. A brief news item from the Philippines is given peculiar prominence with an eight-line headline. It describes the fate of a taxi passenger "who refused to pay an extra charge of one pence" after a recent increase.

"He was killed by the driver," reports Taxi.

Lady's bouquet

The importance of the election has not been lost on a Norwich wine company called Richards: it has inundated Conservative offices with an order form for three wines "specially selected and labelled to celebrate the Conservative Party Election Victory." The label refers unctuously to "the historic emergence of Margaret Thatcher as The First British Lady Prime Minister."

If it all goes wrong, the wine should keep another five years, as long as Mrs. Thatcher does.

Observer

BY MALCOLM RUTHERFORD, Political Editor

What to look out for tonight

TONIGHT EVERYONE can forget about opinion polls. The only results that matter will start coming through on the radio and on the television screens shortly after 11.15 pm.

Anyone who hopes to have a good idea of the final result, however, simply by staying up late may be disappointed. It is quite possible that the winner of this election—if there is a clear winner—will not be known until tomorrow lunchtime, or even slightly later.

It may also be wise to be wary of computer projections based on early returns. It is not that there is anything wrong with the computers, but the assumptions fed into them can be fallible. Indeed it would be a useful precaution to be sceptical whenever the word "swing" is mentioned, unless it is accompanied by a precise definition. *Even then, it is not always all* that helpful in assessing the results as they came in.

Normally the swing describes the movement in votes between *the two major parties.* Thus in a two party fight the swing required for the seat to change hands is half the existing percentage majority.

But in practice it is much more complicated. Very few seats nowadays are contested by *only two candidates. In Scotland* there is now a virtual three-party system. In **East Dunbartonshire** last time, for example, three parties each achieved votes in the 15,000s to give the SNP a majority of 22 over the Tories. How the result goes today is therefore anybody's guess.

There are also problems of regional variations. Very broadly speaking Labour over the years has been picking up support in Scotland and the north of England, while the Tories have been gaining in the South East. But even that trend is not always reflected in individual constituency results. The Tories could recapture some seats in Scotland from the SNP although the Tory share of the Scottish vote goes down.

There are problems, too, arising from population movements. It is not widely realised, for instance, that a quite possible Labour gain today, even in the event of an overall *Tory majority, is the once* solidly Tory seat of **Kensington** in West London.

Labour wins

There are other seats which Labour seems bound to win back, almost whatever happens to the national trend. Mr. Reg Prentice was elected as the Labour Member for **Newham North East** with a majority of over 13,000, but sat latterly as a Conservative. The seat must *surely now revert to Labour.*

Again, there are some of the seats which the Tories gained in by-elections when Labour was at the depths of its unpopularity. *It is hardly likely that they will* retain **Workington** where in October, 1974 Labour had a *majority of over 9,000.* It is almost inconceivable that they will retain **Ashfield** where the Labour majority at the last general election was nearly *23,000.*

There are other factors which are largely unknown. What will be the effect of the immigrant vote, something which in the past was scarcely taken into account? It could be decisive in swaying such Tory-held marginals as the London seats of **Acton** and **Brentford and Isleworth** to Labour. It could be equally decisive in preventing Tory gains in Labour-held marginals in the Midlands, such as at **Birmingham Selly Oak, Leicester South** and, in Lancashire, **Bolton West.**

Concentrated

There are also the Liberals whose efforts this time have been concentrated on particular seats. *Although the Liberal* representation in the new Parliament may go down, it is still possible that there will be some new Liberal faces. **Bodmin, Hereford, Leominster** and **Skipton** are all seats where the Liberals are within sight of putting the Tories out. It should be remembered, too, that most of the seats which the Liberals hope to win will not be declared until tomorrow.

The Liberals in a way add a gloss to the question of the North-South gap. The only seat they hold in anything that can be called a big city is **Liverpool Edge Hill**, and even that they only gained in a by-election five weeks ago. The party has not yet succeeded in transforming its local strength in Liverpool into national representation, but it has shown that inner cities have become a fertile area *for political change.* Another example would be **Newcastle-upon-Tyne Central**, where the *Liberals did remarkably well* against Labour in a by-election at the end of 1976.

Table IV shows the way seats are distributed between England, Scotland and Wales. It is immediately apparent that Labour relies heavily for a majority on the non-English seats, just as it tends to rely for its English seats on predominantly urban constituencies.

But there are a great many constituencies which do not conform to those clear patterns. A marginal constituency is one which, by definition, is "in between." It is usually between inner and outer city or between rural and suburban. Such constituencies abound in the Midlands and the South East, and there is a strong case for saying that those will be the results that will matter most.

Not least, there is the question of turnout. It can differ quite significantly from election to election—as is shown at the bottom of table I, and also from constituency to constituency.

It is not always true that a high turnout helps Labour. In February 1974 *when people were thinking about the miners'* strike, it appeared to do so. But in October 1974 Labour did even better, although the turnout was more than five points lower.

Perceptions

It may well be a question of perceptions. People turn out if they think that the result is important or is likely to be close. But it is not just a matter of apathetic Labour supporters. *There are also* apathetic Tories. The **Kensington** example is a very good one at the constituency level. In October 1974 the turnout fell *to 56.4 per cent, one of the* lowest in the country. The most probable explanation is *that a large number of Tory* and Labour voters regarded it as a safe Tory seat, so they did not vote.

At the end of the day, however, *or rather in the early hours* of tomorrow morning, one figure is worth remembering. For a party to secure an overall majority it needs to win at least *318 seats.* Even that would be nothing like enough for a full term Parliament with majority rule. As is shown in table III, by-elections and even defections tend to produce a sizeable turnround in seats as Parliament goes on. For a party to have a reasonable chance of carrying a five-year Parliament it would *need an overall majority of at* least 30. In terms of seats, that means around 335.

Net gain

At the dissolution Labour held 309 seats. It needs a net gain of nine to win a bare overall majority. The Tories had 283. They therefore need a net gain of 35 to reach the figure of 318 which would lead to Mrs. Thatcher being invited to form a government.

Finally, it should be remembered that if the Tories win more seats than Labour but still fail to reach 318, it could still be Mr. Callaghan as the incumbent Prime Minister who would have first go at trying to form a government. It is by no means inconceivable that he could come to an arrangement with the minor parties that would allow him to carry on, though the latest word from Mr. David Steel is that the Liberals will press for all-party *talks rather than a quick deal* with one party or the other.

The most sensible course for the reader might be simply to go to bed early and look at the results tomorrow.

TABLE I
PARTY STRENGTH IN THE COMMONS 1945-74

	1945	1950	1951	1955	1959	1964	1966	1970	Feb. 1974	Oct. 1974
Conservative	213	299	321	345	365	304	253	330	297	277
Labour	393	315	295	277	258	317	363	288	301	319
Liberal	12	9	6	6	6	9	12	6	14	13
Plaid Cymru	—	—	—	—	—	—	—	—	2	3
Sc. Nat. P.	—	—	—	—	—	—	—	1	7	11
Others (G.B.)	20	—	—	—	1	—	1	1	2	—
Others (N.I.)	2	2	3	2	—	—	1	4	12	12
Total	640	625	625	630	630	630	630	630	635	635
Turnout (%)	76.1	84.0	82.5	76.8	78.7	77.1	75.8	72.0	78.1	72.8

TABLE II
STATE OF THE PARTIES ON DISSOLUTION

Labour	307
Conservatives	282
Liberals	14
SNP	11
Plaid Cymru	3
Scottish Labour	2
N. Ireland	12
Speaker	1
Vacancies	3

TABLE III
CHANGES IN PARLIAMENTARY STRENGTHS BETWEEN ELECTIONS

Parliament	Con.	Lib.	Lab.	Others
1966 Election	253	12	363	2
Dissolution	264	13	346	7
1970 Election	330	6	287	7
Dissolution	323	11	287	9
1974 Oct. Election	277	13	319	26
Dissolution*	283	14	309	28

** On the assumption that the three vacant seats at the time of dissolution, two Labour-held and one Tory, can be regarded as safe. The Labour total dropped one when a Labour Member, Mr. George Thomas, was appointed Speaker.*

TABLE IV
Regional distribution and the North South gap

October 1974 results

	Con.	Lab.	Seats Lib.	Other	Total
England	253	255	8	0	516
Wales	8	23	2	3	36
Scotland	16	41	3	11	71
English examples by region					
S. East	124	68	1	0	193
W. Midlands	32	8	3	0	43
S. West	21	35	0	9	56
N. West	26	51	1	0	78
Northern	9	29	1	0	39

TABLE V
URBAN, SUBURBAN RURAL—THE S. EAST EXAMPLE

October 1974 results

Seats	Con.	Lab.	Lib.
Inner London	6	29	0
Outer London	35	22	0
Rest of region	83	17	1

Letters to the Editor

Promises, promises

From Mr. A. Beard

Sir,—It is nice to know that whichever side wins, things are going to get much better for us all. *Lower taxation, more jobs,* less strikes, a higher moral tone and all the rest of it—splendid! We shall all be suitably grateful.

What puzzles me, however, is why it was necessary to await a General Election to do all these wonderful things; could they not have been introduced before?

A. L. Beard.
Woodfield,
Sparken Hill,
Worksop, Notts.

Polling the population

From Dr. F. Pearce

Sir,—Today there is a quiet pause before we may compare what the polls have been saying over the last week or two with what actually happens.

We can expect to have a fair amount of "statistics" flung at us in the next 24 hours, some being outright junk. Professional analysts are rarely there to challenge malpractice and point out on the spot the many ways in which "figures" can be misused and the reservations that attach to them.

We shall hear many comparisons between what the polls said and what is happening. Let us remind ourselves therefore of what they can and cannot do. They reflect intentions, and the degree to which they can approach actuality is determined by a number of technical *factors—among which is the* proportion expressing some preference, the size of the sample, and the degree of confidence required in the result.

Roughly speaking, in 19 out of 20 polls taken over not less than 1,000 people, we can expect to get within ±3 per cent of the true figure. This is the precision which has been repeatedly referred to over the last week or two as the pollster capability. In fact it is not. He could get to within 1½ per cent, or better, provided his client was prepared to pay for the extra effort and an increase in the sample size to 4,000. (I hope I may be allowed broad figuring to make the general point.)

The trouble starts when AA—the Averaging Amateur—rushes in to interpret opinion poll results. A BBC presenter did it on Monday this week and introduced some of AA's handiwork by saying that "a little arithmetic and commonsense" had been used to average a number of polls. What interests the public is, of course, not so much the voting intentions but how many seats each party will get. The commentator often translates intentions into a *forecast* of seats, smoothly by-passing a behavioural situation where preferences, already highly volatile, are being pressured by the main party contenders.

If we go back over all elections since the war the polls' track record is quite good. They have reasonably reflected the actual vote, from intentions, and have about seven chances out of ten of producing the right winner. (If those who back commercial *decisions had such* a guide, or were prepared to use the guides available, decision-making would vastly improve.)

Two interesting points emerge. If the individual pollsters do get within 3 per cent of the outcome they have justified themselves. But they are technically capable of doing much better than this if resources are made available to them. You want the answer to within 1½ per cent?, 1 per cent?, Less? Then the bill will be . . . .

The second point is that if pollsters have a reasonable track record in Election times, when conditions are at their worst, what potential would they have in more general use? It has been said that information is the key to the way Britain is governed. It is also the key to public knowledge. Here is a powerful tool capable of sounding opinion to quite fine accuracy and of being a neutral advisory aid. It could substitute for referenda.

It could be a major governmental tool, or an aid to public information on many questions. Its operation would be best placed with a National Statistics Council or Institute.

(Dr.) F. T. Pearce.
Greenhill House,
Weoley Park Road,
Weoley Hill,
Birmingham.

The value of farmland

From Dr. G. Gemmill

Sir,—In his comments (April 27) on the value of farm land and proposals for taxation, John Cherrington overlooks a problem in the argument of the National Farmers' Union that "value for farming" should be the basis for valuing land in levying taxes. Land has reached its extraordinary value because of its "track-record" in appreciating far faster than other assets. No doubt a cyclical *fall* in prices can eventually be expected, although our land prices remain low relative to those on the Continent. If "value for *farming" is used as the basis* for taxation, land will simply become more attractive to investors and the price will rise still further. This situation would be in the interest of existing owners, as they would gain both tax-relief and higher asset-values. It would not, however, lead to a more realistic price for land or a more efficiently functioning market in land.

(Dr.) G. T. Gemmill
(Senior Research Fellow in Commodities),
The City University Business School.
Lionel Denny House,
23, Goswell Road, EC1.

Public sector pensions

From Mr. L. Brookes

Sir,—Mr. Logdon (April 24) did not need to write such a long letter to explain why he pays his ex-tax inspectors £10,000 and *£12,000 plus expensive* company cars instead of the £6,700 and £9,000 they received in the Civil Service. The extra pay and perks would seem to be wholly justified as compensation for working for Mr. Logdon.

Many of his sweeping accusations against the civil service could no doubt be challenged. I will only take up his statement that index-linked pensions are "beyond scandal: they are defrauding the taxpayer."

Index linking does not wholly protect public service pensioners against rises in the cost of living. Such pensioners, like most other people, would be best off in conditions of zero inflation. Without some form of protection against inflation, the purchasing power of pensions is steadily eroded by inflation and transferred to the working population who — unlike most pensioners—already enjoy extra purchasing power from any real increase in national income that happens to be taking place. When correspondents accuse public service pensioners of being greedy (as some of your correspondents have) they are in fact themselves being greedy, stridently demanding that pensioners should regularly cede some of their purchasing power to the rest of the population (including the complainants). Many, not all, non-state pensioners are being forced by inflation to do just that, but that is no argument for making all pensioners do it.

L. G. Brookes.
16, Ipswich Road, Westbourne,
Bournemouth, Dorset.

Teachers' time

From Mr. J. Hammond

Sir,—I taught for 44 years; mainly English and History to "O" and "A" level; this involved a heavy burden of marking and, if one wished to keep abreast of one's subject, a good deal of reading, though this was often enjoyable. I took an active part in debating and dramatic societies; the latter a time consuming ploy, though often extremely entertaining. Not surprisingly, Mrs. Isherwood (April 28) is silent on the pastoral side of teaching; the most time consuming of all and what makes the whole thing worthwhile.

I retired before the Houghton award. I, and many like me, were underpaid—not so the "nine-to-fourers": they have been grossly overpaid for years. Underpaid yes; *overworked no,* although at times almost intolerably pressed for time—so are doctors in times of epidemic.

In parenthesis, I think it is despicable that teachers should countenance actions that may jeopardise their pupils' examination chances. I am glad I belonged to a union (AMA) that has always eschewed strikes or comparable action.

J. F. Hammond.
122, Ramnoth Road,
Wisbech,
Cambs.

Insurance law

From the Legal Officer
Consumers, Association

Sir,—Your insurance correspondent (April 30) reports that the British Insurance Association, and other insurance bodies in the UK, have "expressed disappointment at both the content and the tone" of the Law Commission's working paper on reforming insurance law. Similar disappointment is felt by *Consumers'* Association, voicing views on behalf of policyholders, not because the proposals go too far, but because they don't go far enough.

The *insurance industry does* not put up a convincing case for retaining the present harsh rule which enables an insurance company to repudiate liability on a policy, simply because a person has unwittingly failed to disclose a fact which is relevant to the risk. What compounds the absurdity of this rule is that the relevance of the risk is judged according to the estimation of the prudent insurer. How can anyone who is not an expert know what the prudent insurer thinks? And yet for such non-disclosure a claim can be invalidated, even though *no* question about the undisclosed fact may not have been asked in a proposal form.

Not surprisingly, the insurance industry rarely has the *gall to operate* the strict legal rules that currently give them an unjust advantage. The object of insurance law is to provide the rules—binding on *both* sides—by which liability and claims are to be determined. This clearly does not happen at present, and the Law Commission needs encouraging in the *direction in which* it is tentatively proceeding.

Insurance interests have managed to sidestep the main impact of consumer protection legislation *in the last few years*—by getting themselves exempted from the Unfair Contract Terms Act 1977, for instance. Now the time has come for them to accept that *big changes are* required in insurance law, if they are to be brought into line with other sectors of commerce and industry, which now accept *fair trading—in law* as well as in practice—as a necessity of modern life.

David Tench.
14, Buckingham Street, WC2.

The free economy

From Professor D. Myddelton.

Sir, — No assumption of omniscience is implied in commending the virtues of a free enterprise economy. In contrast to some neo-classical equilibrium models, the Austrian school has always emphasised *the uncertainty of an ever-*changing world. Indeed, one of its most distinguished advocates, Professor Hayek, calls competition "a discovery procedure" and for many years has stressed the absence of omniscience and the need to make maximum use of the "division of knowledge" in society.

Of course, expectations may often turn out to be mistaken. There are losses as well as profits in the market system. But I repeat that surely the normal presumption is that a voluntary exchange is expected to benefit both parties to it. Unless one subscribes to the discredited Marxist exploitation theory, or to the absurd notion that one man's profit is another man's loss, what is the alternative to what Huw Dixon (April 21) strangely calls this "unfortunate" point of view?

Most people would wish to improve the efficiency of the market system where possible, for instance by providing safeguards against fraud and by reducing transactions costs (although Keynes, oddly enough, wanted to increase them). But in the context of *the so-called "underground economy,"* three important ways to improve the working of the competitive market, all within the power of governments, *would be to reduce taxation,* reduce State bureaucracy, and reduce inflation. That last point may well embarrass members of the Keynes Society.

D. R. Myddelton.
Cranfield School of Management.
Cranfield, Bedford.

Today's Events

GENERAL

UK: General Election polling day—and local authority elections.

Sir William Barlow, Post Office chairman, receives Freedom of City of London.

Amalgamated Union of Engineering Workers conference, Winter Gardens, Eastbourne.

Electrical and Plumbing Trades Union conference, Conference Centre, Brighton.

Bentley Colliery disaster inquest, Doncaster.

National Federation of Building Trades Employers' annual meeting, London.

Duke of Edinburgh presides at Central Council of Physical Recreation annual meeting, Carpenters' Hall, London.

Ayrshire Agricultural Show.

Anti-National Front parade, Brick Lane, London.

Overseas: Financial Times Euro-Japanese two-day symposium, on trade, finance and *politics in 1980s opens in* Brussels—speakers include Mr. Roy Jenkins, European Community Commission chairman, and Mr. Minoru Masuda, adviser to Ministry of International Trade and Industry.

OFFICIAL STATISTICS

Department of Energy publishes energy trends.

COMPANY MEETINGS

City and Commercial Investment Trust, 117, Old Broad Street, EC, 12.15. William Collins, Westerfield Road, Bishopbriggs, Glasgow, 11. J. Hewitt, Fenton Low Works, Victoria Road, Fenton, Stoke-on-Trent, 12. Montford (Knitting Mills), Grand Hotel, Leicester, 12. Ransomes, Sims and Jefferies, Nacton Works, Ipswich, 3. Smith and Nephew, Grosvenor House Hotel, Park Lane, W, 11. Solicitors' Law Stationery Society, *Savoy Hotel, WC, 12.* George Spencer, Wimborne House, Bar Lane, Basford, Nottingham, 12. Yule Catto, New Bond Street House, 1, New Bond Street, W, 12.

COMPANY RESULTS

Final dividends: Henry Boot and Sons. Guardian Investment Trust Company. Highcroft Investment Trust. Pentland Industries. Porter Chadburn. Wimpey Construction (UK). Interim dividends: British Sugar Corporation. Wemyss Investment Co. Interim figures: Harrisons Malaysian Estates.

UK COMPANY NEWS

P & O holds dividend, despite profit setback

PROFITS before tax of the Peninsular and Oriental Steam Navigation Company fell sharply from £42.46m to £18.36m in 1978, but directors are maintaining the dividend at 6.54228p with an unchanged final of 3.54228p.

Lord Inchcape, chairman, says it was decided not to reduce the dividend in view of the cyclical nature of the shipping industry and particularly following two years of material transfers to reserves.

However, the board will not consider this year's dividend until prospects for 1979 and 1980 can be seen more clearly, Lord Inchcape says.

The profit picture worsens at the net level—after tax and minorities, the attributable figure is down from £28.7m to £7.4m and after exchange losses and extra-ordinary debits there is a loss of £6.37m, compared with profits of £23.8m.

At midway, pre-tax profits had slumped from £36.9m to £1.1m with an attributable loss of £3.24m against £17.1m. profits.

Earnings per £1 deferred stock for the year are shown at 5.1p, compared with 20.3p.

Group reserves show a deficit of £15.7m (£14.43m surplus) and have been further reduced by £5.8m for prior year adjustments relating to property depreciation, changes in group composition and unrealised revaluation surpluses written back.

	1978 £000	1977 £000
Gross revenue	1,168,896	980,442
Operating result*	44,300	53,600
Bulk shipp. loss	1,700	—
General cargo	3,700	17,200
Passenger	10,200	6,300
Europ. transport	10,000	9,100
Energy loss	400	†300
Bovis	12,000	8,000
Property	4,700	3,900
UK banking	500	—
UK insurance	400	1,100
Australia	6,600	7,700
Other losses	1,700	100
Associates	9,600	17,400
Profit before tax‡	18,356	42,457
Tax	9,709	12,798
Net profit	8,647	29,659
Minorities	1,308	886
Exchange losses	6,270	3,458
Extraord. debits	7,443	1,527
Available loss	6,374	23,788
Pref. dividend	117	117
Def. dividend	9,245	9,244
Reserves deficit	15,736	§14,427

* Before interest of £35.5m (except banking). † Profit. ‡ After £3.4m (£3.3m) net profit on ships sales. § Surplus.

The chairman says 1979 also looks like being a poor year, but hebelieves steps now being taken will lead to a better future for the group.

Capital commitments last year were reduced from £180m at the start of 1978 to £82m at December 31. Aggregate borrowings rose from £385m to £425m.

The chairman says this year started badly, with the road haulage strike in the UK seriously affecting activities of European Transport, OCL and to a lesser extent the general cargo division, while recent events in Iran will also affect the general cargo results.

The four new large LPG carriers will depress bulk shipping performance, while the strength of sterling, if it is maintained until the year-end, will affect in sterling terms what might otherwise have been excellent outturns from cruising.

OCL's contribution is expected to be lower than last year, and peak group borrowing will mean a materially higher interest charge.

Against these adverse factors, the chairman expects Bovis, P & O property, and banking to improve further, while the businesses of the energy division which the group retains should make a positive contribution following the eliminaton of loss-makers.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Allied Plant	0.45	July 2	0.41	0.85	0.71
Altifund	6.7	July 12	5.3	10	8.3
Clement Clarke	1.37	—	1.23	2.41	2.16
Continental Union Tst.	3	June 18	2.5	4.25	3.5
Furness Withy	5.27	July 2	4.67	9.12	8.24
Hawtin	0.25	—	nil	0.25	nil
Holyrood Rubber	28	June 22	26	40	33
Hongkong (Selangor)	20	June 22	5.94	28	7.26
Kuala Selangor	7	June 22	6.6	9.5	6.6
Laporte	4.53	June 27	4.06	7.55	6.77
MacDonald Martin	4.78‡	July 2	6.3	7.78§	9.3
Manchester Liners	nil	—	4.1	1	5.1
Milford Docks	2.94	—	2.68	2.94	2.68
Milford Docks int.	1.68	—	—	—	2.94
Minty	4.25	July 13	2.73	5.9	4.23
Natnl. & Comrcl. int.	1.52	July 2	1.38	—	2.94
P. & O.	3.54	July 4	3.54	6.54	6.54
Pentland Inds.	0.61	—	0.45	0.85	0.67
Safeguard Indust. int.	1.5	June 15	1	—	4
Shiloh Spinners	1.08	June 21	0.89	1.23	1.64
Arthur Wood	1	June 13	0.9	1	0.9

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Also additional 0.088p on account of 1977-78. § For nine months.

Macdonald Martin at £1.3m for nine months

FOR THE nine months to December 31, 1978, Macdonald Martin Distillers reports pre-tax profits of £1.28m, compared with £1.34m for the previous year. Tax for the period took £13,077 against £63,391.

The dividend is 4.78p net making a 7.78p (9.3p) total and there is an additional payment of 0.088p in respect of 1977-78.

The directors state that with effect from April 1, 1978, the group's stock of casks was reclassified as fixed assets and revalued at its estimated residual value.

On the same date the estimated useful life of casks was revised. Also, following the revaluation of land and buildings at March 31, 1978, depreciation has been provided on buildings' from April 1, 1978.

They estimate that the net increase in trading profit for period, resulting from these changes is £120,744.

● comment

Macdonald Martin Distillers' 28 per cent annualised improvement reflects the strength of the group's markets both at home and overseas and the steady across the board progress for its whole range of whiskies. In particular Glenmorangie appears to be doing well while Highland Queen also holds good long term prospects. The group's marketing arrangement for Highland Queen with Hedges and Butler (part of the Bass Charrington group) which it won after a tough fight last year is progressing "satisfactorily" and is expected to boost performance in future. With its two distilleries currently operating at full capacity coupled with an intensified export drive, the outlook for Macdonald appears quite encouraging. Determing factors however will be the competitive U.S. market which accounts for about a third of turnover and the UK whisky market which is generally expected to see a slower growth of between 4 and 5 per cent this year. The "A" shares rose 10p to 620p yesterday

Institutions take action in Liden dispute with auditors

BY CHRISTINE MOIR

FIVE institutional shareholders of Liden (Holdings) have intervened directly in the disagreement between the board and its auditors, with the result that the auditors are, after all, to seek re-election at the annual meeting.

That will now be held on May 29 which means that the delayed annual report and accounts must be published by next Tuesday.

Eearly in March Mr. Norman Clothier, the chairman of Liden who also owns nearly 30 per cent of the equity, announced that he would be asking shareholders to replace the auditors, Payne Stone Fraser, because the board just "didn't agree with them as auditors."

The institutions were alarmed at the likely change in auditors at what they considered a "totally inopportune time," according to Mr. Peter Dunscombe, of Imperial Tobacco group's pension fund.

Year end losses of £½m had just been announced, which wiped out a third of the group's value. It was vital that new management procedures be adopted, Mr. Dunscombe said yesterday, and there was simply not time for a new group of auditors to make a full study and report back.

The institutional holders, ITC Pension Trust, Sun Alliance, Henderson Administration, GT Management and Royal London Mutual, immediately set about persuading the Board to retain Payne Stone.

They also want the Board to co-opt a non-executive director whose main function would be to oversee a complete tightening of financial reporting systems. So far the Board has not yet agreed to make the appointment but progress is expected before the annual meeting.

Meanwhile, as known, the whitewood furniture factory has been closed. Another post-balance sheet item, which will provide a significant capital injection, is the sale of the wharf on the Isle of Dogs.

Safeguard revenue up

REVENUE BEFORE tax of Safeguard Industrial Investments improved from £287,544 to £355,086 in the half year ended March 31, 1979. Revenue in 1978-79 totalled £679,000.

The interim dividend is stepped up from 1p to 1.5p per 25p share—the previous year's total was 4p. Net asset value amounts to 121.1p against 106.3p.

A. Wood declines to £0.2m

A disappointing second half left the 1978 taxable profits of Arthur Wood and Son (Longport) well down at £200,541, against £304,634.

At midway when the surplus had fallen from £111,200 to £65,000 the directors said that although they might not match the previous year's record figures they hoped to come quite close. They added that the last six months of the year always proved to be most profitable.

Tax for the year takes £67,000, compared with £141,308. But after deferred tax written back of £131,191 and other items the attributable profit is ahead from £163,326 to £288,815.

The dividend for the year is lifted from 0.8984p net per 5p share to 1.003p.

BICC set for further growth

DURING the current year the directors of Bicc expect to be able to improve on 1978 results—when pre-tax profits rose from £47.12m to £56.63m—although net earnings will not benefit from the write-back of ACT which last year amounted to nearly £2m.

Mr. C. H. Broughton Pipkin, chairman, reports that all four group companies have opportunities to increase profits and, in spite of the road haulage strike and the bad weather, overall results for the first two months of 1979 were better than expected. New orders have been coming in at an encouraging rate in most categories.

The directors hope to make further acquisitions in 1979.

Inflation adjusted pre-tax profits were £21.1m (£18.2m), after adjustment for depreciation £24.8m (£23.9m), cost of sales £13.3m (£8.5m), associated companies £2.7m (£1.5m), finance charges £8.4m (£8.5m) and gearing £5.3m (£5m).

A statement of source and application of funds shows a £30.64m decrease (£9.83m increase) in net bank borrowings.

The AGM of the company will be held at 21, Bloomsbury Street, W.C., on May 30 at noon.

ARMOUR TRUST

Armour Trust announces that applications have been received from shareholders in respect of 2,809,262 new ordinary shares, being 87.9 per cent of the shares offered by rights.

Allen Balfour setback: passing final dividend

BAD WEATHER and the lorry drivers' strike combined to plunge Edgar Allen Balfour into a small trading loss in the year to March 31. Accordingly, the board does not intend to recommend a final dividend for the year. The saving will be £900,000.

The specialist steel manufacturer stressed yesterday that the cash flow trend is positive and "bank borrowing facilities are adequate to meet foreseeable requirements."

But in addition to the small trading loss the group incurred redundancy costs of £370,000, part of which may be shown after tax when the results are published on June 27.

Profits last year amounted to £2.48m pre-tax but the group stumbled in the six months to September 30, 1978, when profits were almost halved at £553,000. A pre-interest loss of £529,000 in the special steels division was chiefly responsible for the interim shortfall but the group claimed to have stemmed the deficit in the following three months.

However, EAB suffered "severe shortages of vital raw materials in January and February which had an adverse effect on productivity and the group's overall profit position. In particular, substantial losses, including costs of voluntary redundancies, were incurred in the special steels and casting activities."

Mr. J. K. Warburton, finance director, explained yesterday that 370 employees had been made redundant during the year "which we cost at about £1,000 per man."

Prospects are now thought to be brighter. Working capital requirements and overheads have been reduced while "there are some signs that world steel prices are hardening. Additionally, the group has at last solved the problem of the three die-blocks in the drop forging division which cracked some 18 months ago and the new Davy Loewy press is undergoing commissioning at George Turton Platts.

"These developments give the board some grounds for being more optimistic about the trading prospects for the year to March 29, 1980."

● comment

The strength of the Edgar Allen, Balfour share price recently—the shares fell only 2p yesterday to 55p—adds just a little credence to the theory that Aurora is about to bid. Around 30 per cent of the equity has changed hands in the last three months but, although Aurora probably makes the only logical fit, it is hard to see why it should bother. Edgar Allen admits that its labour relations record has been poor, although it now claims some improvement, and its efficiency has been blighted inter alia by prolonged mechanical faults in the drop forging division. While it suffered so badly, Samuel Osborn probably came through the difficult winter months without severe loss. True, prices are hardening but the 26 per cent high speed steel price increase merely reflects a difficult molybdenum market and it will take a considerable rise in demand for, say, tool steel to counter the effects of cheap import competition. The D' Avignon plan, after all, offers no protection to the special steel sector.

FOREIGN AND COLONIAL

On April 30, the maturity date, Foreign and Colonial Investment Trust repaid in full loans of U.S.$3m from Morgan Guaranty Trust Company of New York and $2m from Manufacturers Hanover Trust.

Newarthill contracts 'adequate'

THE VOLUME of work available to the construction industry remains at a low ebb, Mr. Tom Grieve, chairman of Newarthill, tells members, but against this background and in a continuing highly competitive market the group has obtained an adequate number of new contracts.

The group has more civil engineering contracts than for some years, but the chairman says the weather during the current year has been a major obstacle to the progress of some of Newarthill's nationwide projects.

As reported on April 27 taxable profits for 1978 finished down from £11.55m to £9.24m. The dividend is increased to 5.326p (4.84p) net per share.

Aviation business continues at a high level of activity, Mr. Grieve states, and arrangements are in hand to expand the jet chartering service to Hong Kong where a company is being set up with established partners.

Since the year-end, and looking to turnover for next year, he says the directors have proceeded further with the group's partnership property developments. He adds that property interests are expanding satisfactorily, contributing significantly to the substantial financial strength of the group.

Net liquid funds decreased by £4.86m compared with a £3.49m increase.

Meeting, Imperial Hotel, WC, on May 24 at 12.30 pm.

Shiloh doubled to £0.29m

REFLECTING a significant increase in the contribution from its diversification activities, taxable profits of Shiloh Spinners more than doubled from £144,794 to £291,718 for the year ended March 31, 1979—a peak of £417,325 was achieved in 1974-75.

There was also a slight improvement in trading conditions in the textile industry. The directors say the improvement in trade is expected to continue during the first half of the current year, but they feel it unwise to predict any further ahead.

Profits at halfway had risen from £24,265 to £143,117 and directors said that prospects for improved profits in the future were good.

Turnover for the full period was up from £7.47m to £8.48m and pre-tax figure was subject to a tax charge, SSAP 15 adjusted, of £108,122 against £68,805. Net profit was £183,596 compared with £75,989.

The dividend is stepped up to 1.8269p (1.636p) net per 25p share with a final payment of 1.0769p.

Shiloh is a spinner, doubler, and manufactures cotton, cotton waste, wool and rayon.

Increase for Clement Clarke

FOR 1978, Clement Clarke (Holdings), dispensing optician, reports taxable profits ahead from £0.88m to £1.26m, after a rise from £0.39m to £0.53m at the interim stage.

Yearly earnings per 25p share are stated at 13.99p (10.83p) and the final dividend is 1.3679p net for a 2.4147p (2.1625p) total. A one-for-three scrip issue is also proposed.

Turnover for the period rose from £7.48m to £9.59m and tax took £585,000 (£357,000).

For the first time depreciation has been charged on freehold and long leasehold buildings and this totalled £30,833.

National & Commercial up 51% at midway

PRE-TAX profits up 51 per cent to £41.08m are reported by the National and Commercial Banking Group for the first six months ended March 31, 1979.

The increase is mainly due to increased interest earnings arising from larger volumes and a higher average base rate. Earnings from commissions and fees increased but operating costs were higher.

From the start of the current year, SSAP15 has been adopted as well as new accounting policies for dealing with profits and losses on disposals of investments and the treatment of bad and doubtful debts.

Earnings per 25p share are stated as 11.8p against 5.5p and the net interim dividend is lifted from 1.375p to 1.52p—last year's total was 2.94p from pre-tax profits of £68.27m.

The adoption of SSAP15 has resulted in a reduction in the first half tax charge of £5.97m—corresponding figures have been restated. Potential liabilities for deferred tax at March 31 totalled £86.14m of which £45.53m has been provided for.

Operating profit for the half year is stated after charging net realised losses of £209,000 on sales of gilt-edged securities during the period: crediting franked investment income grossed up for the imputed tax credit (previously this income was grossed up for UK corporation tax) and charging provisions for bad and doubtful debts.

Provisions for bad and doubtful debts at March 31, 1979, amounted to £47.53m against £40.44m at October 1 last year, after £272,000 written off less recoveries of debts previously written off and £7.37m charge to profit and loss account.

The charge includes a significant provision made by the Royal Bank of Scotland against an account where the final outcome will not be known for some time.

Advances to customers at March 31 were £3.04bn. Shareholders funds stood at £365.5m against £341.4m at September 30, 1978.

The directors say it is the group's practice to consider both specific and general factors in assessing the overall level of provisions required against advances.

The specific element arises as as a result of the periodic appraisal of advances and is included gross; tax relief arises at the time the provision is made.

The general element arises in relation to latent risks which are present in any portfolio of bank advances but which have not been specificially identified. This part of the provision does not attract tax relief when set up but, in considering its adequacy, the directors recognise that in the event of its use against specific bad debts, tax relief would then arise.

	6 mths. 1979 £000	*6 mths. 1978 £000
Operating profit ...	34,232	22,218
Associates' share .	6,850	4,971
Profit before tax . .	41,082	27,189
Group tax	11,918	12,250
Associates share...	2,706	2,544
Net profit	26,458	12,395
Pref. dividends ...	27	27
Extraord. credit ...	145	†140
Attributable ord. .	26,576	12,228
Ord. dividend	3,416	3,090
Retained	23,160	9,138

* Restated. † Debits.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—British Sugar, Fundinvest, Harrisons Malaysian Estates, Richards, *Sungei Behru Rubber Estates, Wemyss* Investment Trust.

Finals—Aberdeen Construction, Blockleys, Henry Boot, British Investment *Trust, El Oro Mining and Exploration,* Exploration Company, Guardian Investment Trust, Hawtin, Highcroft Investment Trust, Hunting Gibson, Pentland Industries, *Porter Chadburn, Save and* Prosper Linked Investment Trust, Scott's Restaurant.

FUTURE DATES

Interims—

Brown (Matthew)	May 17
Gleeson (M. J.)	May 23
National Bank of Australasia	May 10

Finals—

Booth (International Holdings)	May 8
Cartiers Superfoods	May 10
Coats Patons	May 15
Executex Clothes	May 23
Heath (C. E.)	May 15
Henderson (P. C.)	May 9
International Thomson	May 8
Lee Cooper	May 16
Sherman (Samuel)	May 8
Sumner (Francis)	May 10
Usher-Walker	May 10

Best-ever £0.47m for Allied Plant

RECORD taxable profits of £470,000 in 1978, compared with £242,000 last time, are reported by Allied Plant Group, on aurnover ahead from £3.26m to £5.4m.

At midway, the surplus jumped from £92,000 to £206,000.

The directors say the group is now able to expand in all its present divisions as well as being in a strong positio nto make attractive acquisitions.

Tax for the year took £43,000 (£36,000). There is an extraordinary debit of £53,000 (£97,000).

Stated earnings per 10p share are higher at 4.27p, against 2.26p, and the net final dividend of 0.45p lifts the total payment from 0.705p to 0.85p.

Growth in 1978 was entirely from existing operations with no benefit from take-over. "This shows that the action taken in 1977 was effective in that all unprofitable businesses were sold or discontinued and a solid capital base created," say the chairman, Mr. Michael Heathcote.

● comment

Against the background of buoyant demand for plant hire, APG has almost doubled its year-end profits and the shares rose 2½p to an all-time peak of 34½p. Apart from organic growth, the *performance reflects the benefits* of the 1977 reorganisation that resulted in a switch in emphasis from the heavier end of plant hire to the rapidly expanding fork lift truck market—a move which has made the company far less dependent on the lack-lustre building industry. Now that APG has consolidated its gains, the way is now open for a string of acquisitions, especially as the first of such buys, Edmond (Builders) has significantly widened the equity base. This has facilitated two more cash *acquisitions and after the initial* payment, net borrowings stand at the comfortable level of slightly more than a third of shareholders' funds with undrawn overdraft facilities amounting to around £1m. Further impressive growth is assured given that plant hire activity continues to gain momentum. The shares sell on a p/e of almost 8 while the yield is 3.7 per cent.

FAIRCLOUGH

The annual general meeting of Fairclough Construction Group was told yesterday that contracts in the UK worth more than £100m had been won since the beginning of the year. Also, the group had secured "a substantial extension" to its work in Saudi Arabia.

Grattan has sound base for growth

THE emphasis now being placed on modern methods and increased competitiveness gives a very sound base for the future growth of Grattan Warehouses, Mr. J. Michael Pickard, chairman, *says in his annual report.*

Initial demand from the spring-summer catalogue with its substantially increased range of merchandise has maintained the improvement seen in Autumn 1978—however it is still very early in the season to project the likely sales and profit outcome, the chairman states.

Estimates of special annual revenue costs during 1979-80—particularly these affecting distribution changes and the computerisation of agency administration—will be some £1.5m, says Mr. Pickard.

For the year ended January 31, 1979, group profits before tax amounted to £10.65m against £11.76m. After additional depreciation of £347,000 (£257,000) current cost profit is shown as £10.31m against £11.51m.

As a result of increased sales in the second half, the group's investment in capital equipment stock and debtors, after allowing for creditors, increased by £10m. Although the bank overdraft increased by £7m, total borrowing of £13m, still preserved a modest borrowing ratio, either in comparison to the net current assets of £43m, or to the total shareholders' funds of £49m.

Directors have negotiated loan facilities of £25m from the main trading bankers which will be adequate to meet requirements in the ensuing year.

The chairman believes that with these facilities together with other available financing sources the company has sufficient internal resources to meet its sales growth. The asset value per ordinary share has risen to 122p compared with 108p last year.

Meeting, Bradford, May 24.

B & Q (Retail) profits soar

B and Q (Retail), the Southampton-based home improvement group which plans an offer-for-sale later this month, boosted pre-tax profits from £394,000 to a record £960,000 for the year ended January 27, 1979.

Turnover jumped from £6.16m to £14.24m.

The company, which sells branded products at discount prices through its chain of D-I-Y Supercentres mainly in the south of England, was started 10 years ago.

Nine new stores were opened during the year, bringing the total to 25. Since then another has been opened, with two more *scheduled this month.*

The company says it plans to open between 10 and 12 new stores in the current year.

B and Q intends to make an offer to the public of 25 per cent of its capital on May 18. It is expected to be pitched at a p/e of over 10.

Frizzell advances

A 21 per cent increase in taxable profits, from £1.83m to £2.22m in 1978, is reported by the Frizzell Group, unquoted insurance broker.

Mr. N. R. Frizzell, chairman, says a satisfactory overall profit growth was reduced by the UK insurance broking, but the French associate suffered from difficult market conditions—share of associates' profits fell from £158,000 to £63,000.

The acquisition last May of Bradstock Hicks should enable the group to increase profitability when a recovery in the marine market takes place.

A satisfactory start was made to 1979, and the chairman believes a good result will be achieved.

Tax for the year took £1.17m (£0.97m). Stated earnings per 25p share are shown up from 6.4p to 6.5p, and the total dividend is raised from 1.99p to 2p. Retained profit came through at £716,000, against £478,000.

Fixed assets increased from £4.51m to £5.73m. Debtors rose from £2.76m to £5.84m, and creditors were up from £10.28m to £13.81m. Bank borrowings were higher at £7.33m, against £3.2m. Net current assets were £2.02m (£3.73m).

HEYWOOD WILLIAMS

Heywood Williams Group states that less than £100,000 remains outstanding of the original issue of £850,000 unsecured convertible loan stock 1983 and it has decided to enforce conversion or repay the loan at par. The Board recommends holders to convert.

Furness Withy slumps over £8m to £12.2m

TAXABLE PROFITS of Furness Withy and Co. slumped by £8.5m to £12.2m in 1978 on turnover down from £184.6m to £178.8m. But the shipping group held the trading profit at £11.01m, against £11.25m.

At midway the company said second-half results would be broadly in line with the first when the taxable surplus fell from £13.27m to £5.75m. Trading profit was then ahead from £6.21m to £6.68m.

The year's taxable profit was struck after associated profits well down from £9.16m to £5.32m, profits from ship sales down from £3.35m to £1.18m and investment income lower at £2.98m, against £3.75m. Interest payable was up from £6.79m to £8.27m.

The attributable balance is halved at £6.31m, compared with £13.65m. This was after tax of £2.56m, against £7.22m which included a full charge for deferred tax in principal associated companies.

Exchange losses then took a sizeable slice. For 1978 there was an exchange loss of £2.76m, compared with a profit of £1.06m. The deficit on long-term loans was £2.28m (£2.24m profit) and on other non-trading items, a loss of £0.46m (£0.8m).

The final dividend of 5.274p lifts the total from 8.242 to 9.124p net per £1 share. Stated earnings per sehare are down from an adjusted 61.94p to 33.62p. The adjusted figure takes into account the change in accounting policy on deferred tax by two principal associated companies.

Sir James Steel, the chairman, and deputy chairman Mr. Geoffrey N. A. Murrant are to retire. The chairman will be succeeded by Mr. Brian P. Shaw and Mr. Murrant by Sir Ralph Bateman at the end of June.

	1978 £000	1977 £000
Turnover	178,800	184,600
Trading profit	11,009	11,247
Profit ship sales	1,175	3,350
Investment income	2,975	3,747
Interest payable	8,270	6,788
Associated companies	5,323	9,162
Profit before tax	12,212	20,718
Tax	2,558	7,223
Profit after tax	9,654	13,495
Minorities	590	909
Extraord. loss	2,767	†11,059
Attributable	6,307	13,645
Dividends	2,517	2,260
Retained	3,790	11,385

† Profit.

MANCHESTER LINERS made a second-half loss of £351,000 to finish 1978 well down, with a taxable profit of £483,000, compared with £1.8m. And the dividend has been cut from a total of 5.103p net to 1p after the omission of the final (4.103p). Earnings per 20p share have fallen from 10.824p to 4.258p.

The group says that during the year, although revenue rose from £62.36m to £64.1m, freight rates remained depressed and the weaker Canadian and American dollars further reduced profitability. Both these factors were mentioned at halfway when the group saw taxable profits fall from £1.31m to £834,000.

The year's operating profit fell from £2.79m to £1.72m. The interest charge jumped from £1.04m to £2.08m but the taxable surplus was boosted by profit on sale of ships of £1.04m this time.

Shares of associated losses of £334,000 (£32,000) trimmed the profit and there was investment income of £124,000 (£75,000).

The Board says that the hike in interest charges was largely due to a £24m investment in two new container ships. They say the present level of charter income from these two vessels cannot finance the eight-year repayment of shipbuilding loans on ships which could have an earning life of more than 18 years. In the longer term th vessels sould prove an attractive investment.

The associated losses included the cost of setting up a new associated company Marine Transport International, Saudi Arabia. Its participation in the operation of Middle East container terminals should be profitable this year.

On the North Atlantic the group suffered from UK port delays during the greater part of the year. To maintain the service the company had to employ an extra vessel and operate from three different UK terminals. This hit profits, as did the weakness of the Canadian dollar which caused a considerable drop in revenues.

See Lex

Hawtin surges to over £1m

WITH PRE-TAX profit growth accelerating in the second six months of the year to January 31, 1979, Hawtin finished well ahead from £0.73m to £1.02m. At the interim stage the advance was from £349,000 to £440,000.

Yearly earnings per 5p share are shown to have risen from 0.96p to 1.36p and the company is returning to the dividend list with a payment of 0.25p net.

Turnover rose from £7.32m to £7.72m and profit was struck after interest of £51,000 (£86,000). Tax took £200,000 (£350,000) and after extraordinary debits of £183,000 (£52,000) the attributable balance was £634,000 (£328,000).

● comment

Hawtin's first dividend for six years is covered 5.44 times by fully taxed earnings and more than nine times by earnings based on the stated 20 per cent charge. It is a modest payout and the market, which pushed the shares up 1p to 19½p on Tuesday, cut the price back to 18¾p yesterday. On a fully taxed basis the p/e is 13.6 and the yield is just 2 per cent. The main constraint on the payout figure was not the level of profits but the knowledge that a deferred £550,000 is due to be paid at the end of the year to complete the acquisition, made in 1976 of the Planet industrial clothing and DIY group. Industrial clothing sales in 1978/79 were around £6.5m and better margins helped push overall group profits up by almost 40 per cent although there was not much growth in its industrial clothing market share. Profits are likely to continue to improve in the current year but the rate is certain to slowdown.

Federated Land signs new contract

Mr. James H. P. Meyer, chairman of Federated Land and Building Company, told members at the AGM that, following the company's appointment as developer of the Leatherhead Town Centre, it had signed an agreement to develop a large shopping centre in Hanley.

Work on this project was hoped to commence in 1980, and would be completed in two phases, the first in 1982 and the second in 1985.

The company's production had suffered in the first half of the current year, due to adverse weather. This reduction in turnover would be reflected in half-year accounts. While every effort would be made to make up lost ground the turnover figure for the year was likely to be slightly lower than anticipated. Sales, nevertheless, had remained buoyant.

Pentland at record £813,000

THE directors of Pentland Industries, a subsidiary of Robert Stephen Holdings, report record pre-tax profits of £813,000 for 1978 against a previous £618,000, and say the group achieved a modest increase for the first quarter of the current year.

At the interim stage profits were up by £94,000 to £261,000 and the directors confidently expected the full year to see a further strengthening of the group's position.

Earnings per 10p share are stated as 5.84p (4.55p) and, subject to Treasury permission, the dividend is lifted to 0.85p (0.6688p) net, with a final payment of 0.614p. The directors say the dividend is in line with Government legislation regarding dividend cover, and is the maximum permitted.

There was an extraordinary credit of £936,000 (£14,000) due mainly to the sale of Unican Foods. No tax was provided against the profit because of tax relief available as a result of the expansion of the group's trading activities.

Second-half boost lifts Laporte to £12.14m

A sharp upturn in the second half lifted taxable profits of Laporte Industries (Holdings) by 18 per cent to £12.14m in 1978.

At midway the surplus was down from £7.03m to £4.72m. The directors then said they hoped the worst of the depression was behind them. Demand did pick up with both titanium dioxide and peroxygen benefiting.

They now say that the improved demand for chemicals has been maintained in the first three months of this year. The large loss of home and export business due to the lorry drivers' strike and bad weather is being recouped. Export prices for some of their products have continued to rise in some parts of the world and sales volume has shown signs of improvement.

The Board adds that demand for the group's products increased during the second half, and most products performed well, in particular the peroxygen business, Interox, which achieved record results.

The weak demand for titanium dioxide in 1977 was one of the main reasons for the fall in profits that year from £15.45m in 1976 to £10.24m. The directors say the improved trading conditions for the product which were evident at halfway continued in the second half. Its price continued to rise, particularly in export markets, against the background of the strengthening pound.

External sales went ahead from £151.5m to £167.1m. But exports fell by 3 per cent to £32.7m due to competitive pressures and the strong pound.

Profit attributable to ordinary shareholders was £5.14m (£4.24m) after tax of £6.82m (£5.28m) and extraordinary items of £141,000 against £692,000. The 1977 figures have been restated for SSAP 15.

The group's reserves of £41,782,000 at December 31, 1978 include a £12.02m release of deferred tax provided in prior years, and a revaluation surplus of fixed assets in Australia of £5.59m, partially offset by £4.73m goodwill written off.

A final dividend of 4.5326p net per 50p share lifts the total from 6.765p to 7.5543p. Stated earnings per share are down slightly from 11.67p to 11.41p.

	1978 £000	1977 £000
Sales	167,108	151,513
Laporte and subs.	110,885	102,442
Principal Interox share	56,223	49,071
Trading profit:		
Laporte and Subs.	4,590	3,377
Principal Interox	8,829	7,956
Other associates	1,163	980
Interest (net)	2,445	2,081
Profit before tax	12,137	10,242
Tax	6,823	5,281
Net profit	5,314	4,961
Extraord. debits	141	692
Preference divs.	32	32
Attributable	5,141	4,237
Ordinary divs.	3,498	3,132
Retained	1,643	1,088

See Lex

Lyle Shipping ready to take advantage from any upturn

WITH THE outlook for shipping more encouraging than for some years, Lyle Shipping Company is particularly well placed to take advantage when the upturn comes, says Mr. Herbert Walkinshaw, the chairman, in his annual statement.

The group will concentrate on maintaining the steady improvement of the past months, he adds.

Members are told that the upturn in freight levels which occurred in the last half of 1978, has continued into this year despite speculation as to the effects of events in Iran and Vietnam.

The revolution in Iran has caused shortages in bunker fuel and increased prices, but these have so far had only a minimal effect on the company's ships.

Because of sharply reduced deliveries of newbuildings, the supply and demand position is also slowly changing to its advantage, Mr. Walkinshaw states.

He says the company's type of ship is in demand by charterers and adds that if the balance between available ships and cargoes continues to improve the turnround could be marked.

Both the company's engineering subsidiary and its associate, Scottish Ship Management, are expected to improve on their 1978 performances. While the results of Lyle Offshore Group should reflect the increased North Sea activity, which is being encouraged by Middle East events.

The road haulage dispute and other recent strikes in the UK have had little or no effect on operations, the chairman points out.

As reported March 31, pre-tax profits for 1978 were down from £667,000 to £133,000, after a £215,000 loss (£20,000 surplus) at half-time. However, the dividend is stepped up from 4.937p to 5.47p net on tte improved outlook.

Meeting, Glasgow, May 25, noon.

Milford Docks finishes well up at £0.24m

Following a rise from £2,097 to £131,088 at midway, taxable profits of Milford Docks Company finished 1978 ahead from £14,777 to a record £341,039.

The dividend is increased, by the maximum allowed, to 2.94p net per £1 share against a previous 2.68p. The directors are also declaring a 1.68p interim payment for the current year.

The year's tax charge is £119,852 compared with £6,837 leaving a net profit of £121,187 (£7,940).

Minty expands to £304,366

FOLLOWING THE advance from £43,990 to £94,236 at midterm, Minty, furniture manufacturer, expanded taxable profits to a record £304,366 for the year ended January 27, 1979, compared with £189,982 previously.

Subject to Treasury approval, a net final dividend of 4.246p lifts the total payment from 4.226p to 5.896p per 25p share.

After a tax charge of £156,252 (£100,745) net profits increased from £89,237 to £148,114.

Pentos in excellent position for growth

OVERALL PROSPECTS at Pentos for 1979 and for the longer term future are excellent, Mr. T. A. Maher, the chairman, tells members in his annual review.

The group, he says, remains committed to its twin financial and marketing objectives of a relatively high return on funds employed and a leading position in each market in which it is involved.

"Each of our existing businesses has the potential to meet these objectives," he says, "and the whole of our resources will be devoted to their further development."

As already known, pre-tax profits for 1978 rose to £4.01m (£3.26m) on turnover ahead from £41.8m to £54.8m. The dividend is stepped up to 5.025p (4.2925p) net per share.

Mr. Maher says he expects the sales and profits breakdown of some 60 per cent consumer product markets and 40 per cent industrial markets to continue.

The chairman states that in bookselling the market is highly fragmented and unsophisticated and offers further substantial opportunities for growth, and on the publishing side the year will generally be one of recovery and consolidation.

Garden and leisure products had "an exceptional year," and acquisitions during 1978 mean the group entered the current year with the widest range of gardening hardware offered by UK manufacturer.

Within engineering the Jeavons companies again did well and demand continues to be strong; Akerman and Jeavons suffered from production bottlenecks in the year, and the full benefits of improvements made in this area will not be felt until 1980. Prospects for engineering as a whole, Mr. Maher says, are good.

In construction the recovery was better than anticipated but the continuing depressed market leads directors to look for little further improvement in the short term. However, the group is planning a significant expansion of its hiring activities, a major profit contributor, over the past four years.

Future capital expenditure contracted for but not provided in the accounts was well up at £234m (£139m) and £56m (£43m) was authorised but not contracted for.

Meeting, Tower Hotel, E., on May 31 at noon.

S. PEARSON & SON

PEARSON LONGMAN · ROYAL DOULTON
LAZARD BROTHERS · MIDHURST (USA)
MADAME TUSSAUD'S

1978 was a record year for the Pearson Group

Pre-tax profits (before minorities) £51·4m

PEARSON LONGMAN (Publishing) Financial Times Westminster Press Longman Group Penguin Books Ladybird Books	£25.5m
ROYAL DOULTON (Ceramics, glass and engineering) Royal Doulton Tableware Doulton Glass Industries Doulton Engineering Group Doulton Australia Allia Doulton	£14.3m
WHITEHALL TRUST (Lazard Brothers and Investment Trusts)	£9.9m
MIDHURST (USA) (North-American interests)	£2.0m
MADAME TUSSAUD'S (Family entertainment)	£1.9m
Head Office Interest and expenses less other profits	(£2.2m)

Attributable profit before taxation	£39.2m
Profit after taxation	£24.6m
Earnings per ordinary share	35.9p
Dividends per ordinary share	8.0p
Turnover	£401.3m

Extracts from Lord Gibson's statement

Record Profit
Last year was an excellent one for the Pearson Group. Total profits before tax increased by 14 per cent to a new record level of £51.4 million and earnings per share rose 17 per cent.

Dividend
We are proposing a final dividend which will increase the total for 1978 by 17 per cent over 1977 which is the maximum currently allowed to us.

Important Developments
There have been important developments in all the Group's divisions. The Financial Times began to publish in Frankfurt as well as in London and launched World Business Weekly in the United States. The Longman Group took significant steps forward in its programme of investment in new publishing markets, notably in the United States, and in selected areas such as dictionaries and reference books. Madame Tussaud's acquired Warwick Castle. Midhurst Corporation increased its interest in Cameo to almost 61 per cent as part of the long-term programme of redeploying part of our American assets in carefully chosen direct investments.

In recent years there have been a number of other most successful direct investments, notably those of Lazards in West Germany, Jersey and South Korea and Doulton's development programmes in both the tableware and the glass companies. At Doulton Glass Industries, which specialises in the home improvement field, sales have risen from £11 million in 1971 to £75 million in 1978.

It is worthwhile stressing that while acquisitions have an important part to play in our progress we give priority in the use of our resources to the development of our existing businesses.

Annual General Meeting
I hope that as many shareholders as possible will attend the annual general meeting on 25th May. There will be an opportunity to meet members of the board informally afterwards.

If you would like further information about the Pearson Group please complete the coupon below and return it to the Secretary.

To: The Secretary
S. Pearson & Son, Limited
Millbank Tower
Millbank London SW1P 4QZ

Please send me a copy of the 1978 Annual Report

Name

Company

Address

FT 3/5

UK COMPANY NEWS

MINING NEWS

Selection Trust puts it into perspective

BY KENNETH MARSTON, MINING EDITOR

WHILE the world base-metal mining industry suddenly encounters a strong demand for its products after the dark years of recession, a note of realism is sounded by Mr. John Du Cane, chairman of London's Selection Trust world mining and industrial group. He points out that despite their recent sharp recovery, prices in real terms of copper and other metals are "still well below 1974 prices."

He stresses that, "if the world wants metals then the prices must be commensurate with the costs involved in bringing in incremental production, and I can only repeat that they will have to be a good deal higher than those we are seeing today."

Against the background of low investment in new mining capacity during recent years, an upsurge of investment in capital goods in the 1980s would lead to "serious shortages of several metals."

Indeed, Mr. Du Cane reckons that in the case of copper, "the problems of supply are likely to continue for some time to come," despite the re-opening of spare capacity.

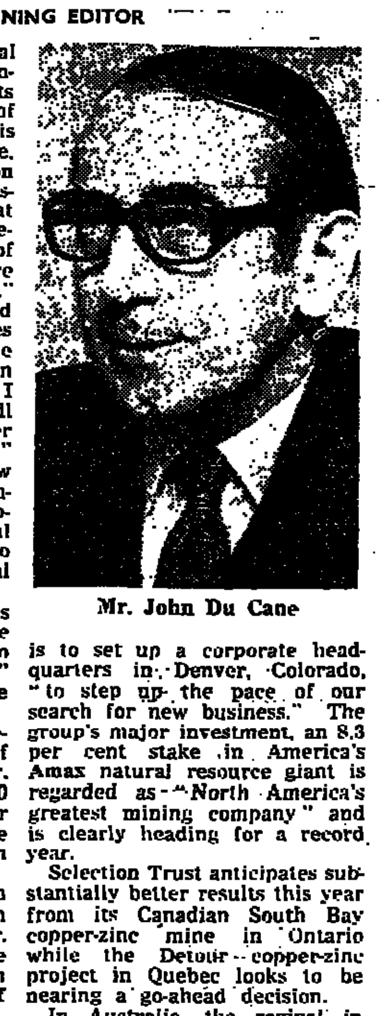
In this context it is worth recalling the recent comment of Rio Tinto-Zinc's Sir Mark Turner, that a copper price of about $1.50 per lb, compared with just under $1 per lb at present, would be required to justify investment in a new mine.

As chairman of a group which has been notably successful in exploration in recent years, Mr. Du Cane points out: "There are no shortages of base metals in the ground, but huge sums of money are required to find, mine, smelt and refine them."

The danger is that as rising metal prices catch up with inflation, companies with existing sizeable production capacity will appear to be making handsome profits and will thus tempt governments to impose extra taxes on what will be regarded as windfall profits.

He hopes that, instead, governments will learn from the lessons of the past four years and allow the mining companies to rebuild their financial strength in order to be able to invest in new mining ventures. It is a hope that this column wholeheartedly shares; but politicians—like many of those who support them—tend to have short memories and also tend not to look too far ahead of the next election.

Meanwhile, Selection Trust looks to the U.S. as "a most promising area of growth" and is to set up a corporate headquarters in Denver, Colorado, "to step up the pace of our search for new business." The group's major investment, an 8.3 per cent stake in America's Amax natural resource giant is regarded as "North America's greatest mining company" and is clearly heading for a record year.



Mr. John Du Cane

Selection Trust anticipates substantially better results this year from its Canadian South Bay copper-zinc mine in Ontario while the Detour copper-zinc project in Quebec looks to be nearing a go-ahead decision.

In Australia, the revival in metal prices has led to a re-examination of the modest sized, but high grade, copper-zinc-silver deposit at Teutonic Bore where the partner is Mount Isa Mines. Selection Trust's big Agnew nickel mine has made its first shipments of matte to the Amax refinery in Louisiana and a 50 per cent expansion is being planned.

The Unisel gold mine in South Africa, where Selection Trust is partnered by Union Corporation, is due to reach full production in November. In the UK, Selection Trust's industrial interests are expected to at least maintain earnings this year, while increased revenue is expected from the K/13 gas operation in Holland.

● comment

Earnings of Selection Trust this year look like moving ahead possibly 44p per share from 35.8p in 1978. Providing metal prices keep up, the group should do even better in 1980. It is worth pointing out that at a time of reviving demand for metals Selection Trust, like Amax, has the advantage of young mining capacity. It also has to face a considerable amount of financing for the newer projects, but this should not be unduly difficult in the changed climate for metals and thus there is still a reasonable amount of manoeuvre for dividend increases—UK legislation permitting. At 544p the shares yield a modest 3.8 per cent but this lower than average return for a UK mining finance house is justified by the value of the holding in Amax and in that of the assets in new mines—metal in the ground may be a better investment than money in the bank these days.

Profits surge at MIM

MIM HOLDINGS, the leading Australian base metals producer, yesterday announced a striking rise in third quarter profits to A$39.99m (£21.4m) from A$12.5m in the same period of last year.

Performance in the 16 weeks to April 8 contrasted sharply with the A$11.9m and the A$14.2m earned in the first two 12-week periods of the financial year to next June. Net profits for the first 40 weeks of the year were thus A$66.2m and represent a 67 per cent rise on income of A$39.6m for the same period of 1977-78.

The higher level of profits over the first three quarters was based on a 35 per cent increase in sales revenue to A$392.1m. The group caught the benefit of the gain in market prices for its main products—copper, lead, zinc and silver.

● comment

UK investors make up about 5 per cent of the MIM shareholders' list—Asarco, the U.S. group, owns 49 per cent. The group offers an entry into the strengthening base metals field in an area relatively free of political complications. The only impediments to a continuation of the third quarter trend in earnings are a sudden downturn on the metal markets, linked to a flattening in the U.S. economy, and a surge in operating costs.

Present trends on the markets suggest they could hold up at least until the end of the MIM financial year. The group declared a dividend of 4.5 cents after the first half, covered twice by earnings per share of 9 cents. Earnings per share for the whole year could be around 35 cents, compared with 16.3 cents in 1977-78. The group's dividend history suggests this could lead to a final of 14.5 cents, making 18.5 cents (9.89p) for the year against 9 cents in 1977-78.

Such a total payment would represent a yield of 4.37 per cent on yesterday's London closing share price of 226p. The shares rose 11p in the wake of the third quarter figures, but they remain in the lower half of their 1978-79 trading range of 197p-275p.

BIDS AND DEALS

Wilmot accepts £24m offer from Rockwell

Wilmot Breeden, the UK motor components manufacturer, has reluctantly dropped its opposition to a £24m takeover bid from Rockwell International of the U.S.

In a surprise move yesterday Wilmot Breeden advised its shareholders that "on balance it is in their interests" to accept the 115p a share cash offer, although a statement from the company continued to argue that the bid was "inadequate."

Only five weeks ago Wilmot's directors said that Rockwell's bid "significantly undervalued" the company, and that they would not recommend any offer below 135p per share.

The change of heart, however, effectively clears the way for Rockwell, which already holds 40 per cent of Wilmot Breeden's shares and is now assured of at least a further 8 per cent held by the Wilmot board and family trusts.

Rockwell's advisers last night welcomed the decision which it said was "in the interests of everyone" adding that the level of acceptances for the offer, which closes for the first time on May 11, was "very encouraging."

The timing of Wilmot Breeden's announcement appears to follow confirmation by the Takeover Panel that "only in exceptional circumstances" would Rockwell be allowed to increase its bid.

Although the U.S. company had categorically stated on two occasions that it would not go higher than 115p, Wilmot was pinning its hopes on either an improved offer from Rockwell or the emergence of a counter bidder.

Wilmot's statement points out that in advising shareholders to accept "it has taken into account the fact that Rockwell already owns 40 per cent of Wilmot Breeden's share capital."

Wilmot Breeden's share price closed 2p lower at 112p. Earlier this week Rockwell announced that it had made application for its shares to be listed on the London and Frankfurt Stock Exchanges.

SAINT PIRAN

Mr. Max Lewinsohn, leader of the dissident shareholders at Saint Piran, claimed yesterday he had clear evidence that Mr. James Raper, ex-chairman of the company, had influence over more than 30 per cent of the capital and might therefore be bound under the City Take-Over Code to make a bid for the company.

Mr. Lewinsohn claims this is clear from an analysis of the shareholders' register at the time when Mr. Raper appeared to sell his shares a few years ago and again, more recently, when Gasco Investments, of which Mr. Raper is chairman, has been buying shares.

According to Mr. Lewinsohn, the register indicates that, when Mr. Raper sold out, he sold to certain offshore companies and that these same companies are now selling the shares back to Gasco Investments. Gasco has also bought shares in the open market, and Mr. Lewinsohn claims the total owned by companies related to Mr. Raper now amounts to about 35 per cent.

"I feel it would be rather a let down for the City if this cannot be cleared up," said Mr. Lewinsohn. "But one can see the difficulties when some of the people involved are abroad and outside British jurisdiction."

SUITS RESULT DUE TODAY

Lonrho's offer for Scottish and Universal Investments (SUITS) closed yesterday, and the result will be announced this morning.

It is understood that the important acceptance by the family trusts of Sir Hugh Fraser were duly lodged. Lonrho itself owns just under 30 per cent of SUITS, while the Fraser trusts have just under 9 per cent. Counting and verification of the acceptances continued into the evening.

Lonrho must say today whether or not the offer will be extended.

ELLIS & EVERARD

Ellis and Everard has acquired the capital of Capital Swimming Pools. The purchase price of £41,877 will be satisfied by the issue of 36,549 ordinary shares.

Capital Swimming Pools and its subsidiaries market swimming pools, swimming pool chemicals, pool accessories and fountains. At December 31, 1978, its total net assets were some £34,000.

CLEVES INVEST.

Cleves Investments has purchased on behalf of discretionary clients 380,005 ordinary shares (6.2 per cent) of General Ceylon. Dealings in General Ceylon are carried out under the Stock Exchange Rule 163(2).

In February General Ceylon was the subject of a reverse takeover by two small property companies Carlton Real Estates and Carlton Estates.

NO PROBES

The following proposed mergers are not being referred to the Monopolies and Mergers Commission: Fisons and AAgrunol BV; Aetna Life and Casualty Company and American Re-insurance Company; Leamington Spa Building Society and Brierley Hill and Stourbridge Incorporated Building Society; Airways Pension Scheme and Debenture Corporation.

MORAN TEA

In a letter to shareholders, the board of Moran Tea Holdings has given further information about its Indianisation scheme and the partial restrictions placed on remittances to the UK until the industry-wide tax dispute is resolved.

Shares in the new Indian subsidiary issued to Holdings as part of the scheme will be held by the subsidiary as security for any tax liability which may arise. A total of £1.2m is attributable to Holdings in respect of its Indian business, of which unremitted profits form the major part, while £310,551 is shares in the new Indian subsidiary at par.

A pro-forma balance-sheet of Holdings as at December 31, 197?, after allowing for the effects of the scheme shows very minor changes compared with the actual balance-sheet at that date.

PENTOS ACQUISITION

Balls Homes and Gardens, a wholly owned subsidiary of Pentos, garden and leisure products group, has acquired the business of Tudor Garden Products from Tudor Accessories, a subsidiary of Smiths Industries for £456,001.

The directors say the acquisition is in line with the policy of creating a base as a supplier of a complete range of garden hardware.

DEBENTURE CORPN.

The Airways Pension scheme sees no justification for offering any "additional premium" in its bid for Debenture Corporation, the investment trust.

In the formal offer Mr. R. A. Spencer chairman of APS Securities, the wholly owned subsidiary of the Airways Scheme making the offer, says: "We are offering a premium" in that the scheme is offering the market value of Debenture's portfolio whereas the stock market generally would not.

"In recent years similar valuation methods have been adopted in successful offers for other investment trusts with portfolios of comparable quality," he adds.

The document shows that the Scheme has been a steady and frequent buyer of Debenture Corporation shares over the last year.

C. & W. WALKER

C. and W. Walker Holdings announces that contracts have been exchanged for the purchase of Lakers (Northern), which designs, manufactures and installs pipework for the process industries.

The consideration is being paid in two instalments: £230,000 on exchange of contracts, and £25,000 six months after completion or as soon as an audit review of the accounts for the year to February 28, 1979, is complete, whichever is the later.

Results of Lakers for the year ended February 28, 1978, showed pre-tax profits of £37,080 and net assets of £266,345.

SCOTTISH HERITABLE

Scottish Heritable Trust has acquired 321,725 deferred ordinary shares in Trans-Continental Carpets for £337,811 cash. This is a result of the exercising of the options under the agreement referred to in the circular to shareholders dated June 20, 1977.

Trans-Continental Carpets has therefore become a wholly-owned subsidiary.

F. Lilley to make £2m agreed offer for A.C.E. Machinery

F. J. C. Lilley, the construction company, is to make an agreed offer of £2m for ACE Machinery Holdings, manufacturer of hoists and winches for the construction industry.

Lilley said yesterday the offer "continues Lilley's policy of making acquisitions of companies engaged in complementary activities."

The terms are three Lilley shares for every two of ACE, or 125p cash for every ACE share.

Directors of ACE unanimously recommend shareholders to accept the offer. The directors and certain other major shareholders — including Industrial and Commercial Finance Corporation, Scottish Northern Investment Trust, and Estate Duties Investment Trust—have irrevocably undertaken to accept the offer in respect of their 1,166,398 shares (76 per cent).

ACE is being advised by Noble Grossart, and Lilley by Morgan Grenfell and Co.

SHARE STAKES

Premier Consolidated Oilfields—N. Maharaj, director, sold 20,000 shares at 30p on April 4.

Vantage Securities—G. W. Pilkington, director, has purchased a further 5,000 shares bringing his total interest to 139,025 shares (4.63 per cent). A. R. Bonser, director, has bought 10,000 bringing his holding to 130,300 shares (4.34 per cent). Quest Securities, a subsidiary of River Plate and General Investment Trust Company, has purchased 30,000 shares, making combined interests of 480,000 shares (16 per cent).

Centrovincial Estates—J. Bold, director, has sold 20,000 shares.

Minet confident for 1979

CONFIDENCE THAT Minet Holdings is capable of responding to the challenges posed by adverse trading conditions, and that a satisfactory result will be achieved in 1979, is expressed by Mr. John Wallrock, the chairman, in his annual statement.

Members are told that 1978 results suffered from difficult market conditions, adverse currency conditions and escalating costs, and these factors are continuing this year.

The chairman states that as in the past, the group is continuously investigating new areas of the world and affiliated activities to its basic insurance broking role.

As reported April 11, pre-tax profits for 1978 were marginally higher at £15.28m (£15.2m) after a decline from £7.94m to £6.86m in the second half. The directors estimate the outcome would have been around £17m, but for the appreciation of sterling.

Profits were split as to: £8.84m (£8.65m) or 58 per cent (57 per cent) from UK companies, and £6.44m (£6.55m) or 42 per cent (43 per cent) from overseas. The UK side secured 56 per cent (62 per cent) of their brokerage income from overseas sources.

Total brokerage income rose 22 per cent from £26.64m to £32.39m and was derived from the following sources: North, Central and South America 45 per cent (44 per cent), UK and Ireland 26 per cent (24 per cent), Africa 10 per cent (11 per cent), Australia and Far East 11 per cent (13 per cent) and Europe, Middle East, etc., 8 per cent (same).

The considerable growth of business from North America continued during 1978, but a slowing down has occured in recent months due to an increased competitive situation among U.S. domestic insurers.

UK operations showed a very satisfactory growth in income during the year, assisted by basic re-organisation, the chairman point out.

Elsewhere, the international companies experienced a difficult trading year, where the combind effect of worldwide adverse market conditions and inflation on expenses produced a disappointing result.

At balance date, net current assets were up from £12.87m to £13.21m, and fixed assets rose from £14.7m to £19.94m. Net assets stood at £30.76m (£26.63m).

Rubber companies' results

THREE COMPANIES under the Harrisons and Crosfield wing report increased profits and higher dividends for 1978.

Taxable profits of Hongkong (Selangor) Rubber jumped from £114,839 to £495,364, boosted by a £377,839 contribution from tin tribute, compared with £53,715 last time. Turnover was £126,159 (£128,301).

The net final dividend of 20p per 10p share lifts the total payment from 7.26p to 28p—ahead of the midway forecast of not less than 24p. Stated earnings are up from 10.28p to 44.47p. Tax took £295,264 (£68,564).

Higher profits of £239,825, against £208,043, are reported by Kuala Selangor Rubber Co., before tax of £126,385 (£107,316). Turnover increased from £466,024 to £525,864.

Earnings per 10p share are shown to have risen from 13p to 14.64p. The net total dividend is stepped up from 6.6p to 9.5p, with a 7p final. At midway, the directors expected the total distribution for 1978 would not be less than that for the previous year.

Profits of Holyrood Rubber rose from £86,563 to £155,770, before tax of £70,768, compared with £42,497. Turnover stood at £479,557, against £430,332.

Stated earnings per £1 share are higher at 98.86p (51.15p), and the net total dividend isv lifted from 33p to 40p, with a 28p final.

CULTER GUARD RESIGNATION

Mr. John Chatwin, who is 47, has resigned from the Board of Culter Guard Bridge Holdings and will leave the company at the end of June.

Mr. Chatwin, who has responsibilities for sales and marketing, said the move, "involved the long term plans" of the paper making and conversion group but stressed that it was not, "an acrimonious departure."

Poor start for S. Pearson

UNEVEN TRADING conditions in the UK and the disruption caused by the transport strike have combined to give S. Pearson and Son a poor start to the 1979 trading year, according to Lord Gibson, the chairman, in the annual report and accounts published yesterday.

He gives no indication of prospects for the rest of the year which he notes will depend on how home markets respond to a new Government and overseas markets to oil price and exchange rate fluctuations.

Last year's profits, as known, increased by 14 per cent to £51.4m and earnings per share rose to 35.9p, a 17 per cent increase. Part of the rise in earnings is attributable to a change in deferred tax treatment, whereby advantage is being taken of beneficial time lapses between accounting dates and the dates when tax is payable on certain items.

The accounting policies have also been changed so far as goodwill is concerned. Total goodwill of £25.4m has been written off. Mr. Alan Whittaker, the finance director, explained that the move was in anticipation of a future EEC requirement and also a decision made in the light of the low weighting given to goodwill by bankers and creditors.

The balance-sheet reveals a 30 per cent increase in net borrowings to £85m, the bulk of which is attributable to the loan stock issued as part of the £14m takeover of Madame Tussaud's last year. Borrowings compare with shareholders' funds of £168m.

On the trading front demand for Royal Doulton tableware declined in the second half and production was reduced to match. Doulton Glass Industries, which supplies the glazing industries, continues to grow. Turnover reached £75m in 1978 from £11m in 1971 and pre-tax profits were £4.6m last year.

At Lazard Brothers, the merchant banking arm of the group, sterling earnings were lower as a result of a general sector squeeze on rates and margins. However, export finance earnings partly offset this. Pre-tax profits of the Whitehall Trust division, of which Lazards is the major part, were only slightly down at £9.9m from £10.7m, despite the absence of release of dealing provisions made in 1977.

The accounts also reveal that Lord Gibson's salary last year was £27,756. The previous year Lord Cowdray, then chairman, drew a salary of £10,156. The highest paid executive's salary was £58,295, a drop of £2,000 in 1977.

Heavy expenditure by Pearson Longman

Pearson Longman's accounts were also published yesterday. They vary from the parent company in that goodwill of £30.8m continues to be shown as an asset. Part of this is represented by copyrights.

Mr. Michael Hare, chairman, in his annual statement, points out that adopting current cost accounting principles published pre-tax profits of £25.9m (£21.4m) would reduce to £21.3m (£16.8m).

Mr. Hare says that the underlying trend of profits in 1979 is sound but industrial problems, both internal and external, had a "severe effect on profits in January and February." Result for the year will be affected by the heavy expenditure on developments at the Financial Times, Longman and Penguin. In the short term these programmes will have "an adverse effect on their results."

Running costs of publishing the Financial Times in Frankfurt will exceed by more than £4m in total attributable revenue over the next three years, but thereafter the burden will reduce rapidly. Meanwhile both circulation and advertising demand increased last year.

Losses are expected for a number of years from Fintel, the joint electronic communications venture with Exchange Telegraph. At Westminster Press circulation and advertising volume increases were significant and pre-tax profits rose by 76 per cent to £10.9m despite increased losses in general printing.

The small increase at Longman was in line with expectations, despite below budget increases in Nigeria where Pearson Longman's interest has been reduced to 43.36 per cent. Longman Nigeria is now an associate company.

OIL AND GAS NEWS

Record depth well may cost C$30m

A highly sophisticated drillship —Discoverer Seven Seas—left St. John's harbour, Newfoundland, last Wednesday bound for a location, roughly 330 km (205 miles) northeast of St. John's, where it will drill a wildcat well expected to cost in excess of C$30m (12.7m).

The well, Texaco Shell Blue E-18, is to be drilled in 1,500 metres of water, a world water depth record for conventional hydrocarbon exploration.

The drilling is being undertaken to test a large geological structure for oil and gas potential and is expected to take around 120 days to complete. Planned depth is 5,800 metres (19,000 feet) below sea level.

In the event of a discovery, a number of wells will be required to determine its commercial significance. Estimated total cost of bringing a commercial discovery to production is thought to be in excess of C$1bn (£423m).

The vessel is under contract to Texaco-Canada, operator of the project for a consortium of companies consisting of Petro-Canada, Hudson's Bay Oil and Gas, Home Oil, and Dome Petroleum. The group will earn a 50 per cent interest in a 5.5m acre block of exploration permits held by Shell Canada Resources and Shell Explorer.

A consortium of exploration companies have been granted exclusive exploration rights by the Philippines Government over a 14,500 square km area in the West Sulu Sea. The geophysical contract extends over a period of 12 months after which the consortium can elect either to withdraw or proceed to a service contract which will include drilling.

Participants in the consortium include Bow Valley with 25 per cent, Endeavour Resources and Philodrill, each with 22.5 per cent, Transasia, with 15 per cent and Sceptre Resources, also with 15 per cent.

Endeavour, which is in partnership with Ultramar at the Mariut Block in Egypt, says that a drilling contract has been signed and a two well programme is scheduled to commence late next month. Endeavour has a 9 per cent carried interest in the venture.

* * *

Premier Consolidated Oilfields has received a letter from the Ministry of Petroleum and Mines of the Government of Trinidad and Tobago advising that the Cabinet has agreed to the acquisition of Premier's assets and holdings in that country.

Premier has advised the Ministry that it has no present intentions to sell its Trinidad assets but is prepared to meet for discussions. No date has, as yet, been set for the negotiations proposed by the Ministry.

Premier produces some 300 barrels of oil per day from Trinidad fields which were originally acquired when the company was formed in 1934.

ISSUE NEWS

PROVINCIAL LAUNDRIES

Provincial Laundries' rights issue of ordinary shares is on the basis of one-for-two at 20p, and not 25p as stated in yesterday's edition. The chairman of Provincial Laundries is Mr. M. A. Ashcroft.

SINGLO

Singlo Holdings announces that the recent rights issue of 4,986,459 ordinary shares, the issue of £759,440 of 15 per cent convertible unsecured loan stock 1988/91 has been taken up as to 4,799,794 shares (96.26 per cent) and £727,891 loan stock (95.85 per cent).

CREST NICHOLSON

Crest Nicholson announces that the issue of 5,510,769 new ordinary shares offered by rights on a basis of one-for-two, has been taken up to the extent of 5,360,025 shares (97.26 per cent).

The 150,744 shares not taken up have been sold, fully paid, in the market and the net proceeds (£119,385.55p) will be distributed to entitled shareholders at the rate of 79.19p per share.

RESULTS AND ACCOUNTS IN BRIEF

BRISTOL STADIUM—Results for 1978 reported April 18. Group fixed assets £416,206 (£394,249), net current assets £88,431 (£120,356). Total net assets £564,314 (£574,282). Working capital decreased by £26,838 (£152,521). The company has "close" status. Meeting, 11 Mansfield St, W, May 22, 12.30 pm.

CANADIAN AND FOREIGN INVESTMENT TRUST—Gross revenue for year to March 31, 1979 £674,958 (£570,763), total net assets attributable to ordinary £11.31m (£9.8m). Earnings per 25p share 4.84p (4.2p), net dividend total 4.2p (3.6p) with 2.7p final. Net asset value, after prior charges at par, 169.3p (146.7p), and prior charges at market value, 173.6p (150.4p), investment currency premium 9p (16.4p).

CARPETS INTERNATIONAL—Results for 1978 with prospects reported April 14 in full preliminary statement. Group fixed assets £29.85m (£23.31m), net current assets £28.4m (£26.42m). Bank borrowings decreased by £1.51m (£0.29m increase). Meeting, 14-15, Berners Street, W, May 24, noon.

JOHN C. SMALL AND TIDMAS—Treasury permission received to pay the final dividend of 2.9p announced April 10, 1979.

NEW THROGMORTON TRUST—Net asset value per £1 capital loan stock 256.96p, as at May 1.

WILLIAM BAIRD AND CO. (textiles, industrial, services)—Results for 1978 with prospects reported April 19 in full preliminary statement. Group fixed assets £24.84m (£17.69m), current assets £47.6m (£41.47m), current liabilities £32.98m (£27.84m). Net assets £39.92m (£32.06m). Working capital increased by £1.5m (£4.86m). Meeting, Glasgow, May 24, noon.

HARRIS QUEENSWAY (carpet and household furniture retailer)—Results 1978 and chairman's observations on prospects reported on April 19. Group fixed assets £7.59m (£7.66m). Net current assets £293,000 (£2.13m liabilities). Group expects to open at least eight new carpet shops and six discount stores in 1979. Meeting, Orpington (Kent), May 22, at 11 am.

PEARSON LONGMAN

A quoted subsidiary of S. Pearson & Son

FINANCIAL TIMES · WESTMINSTER PRESS
LONGMAN · PENGUIN · LADYBIRD

1978 was a record year for Pearson Longman

Pre-tax profits £25.5m

FT **FINANCIAL TIMES** National newspaper, Business publishing, Business information services	£3.1m
WESTMINSTER PRESS Provincial newspaper publishing, General printing	£10.9m
LONGMAN GROUP Educational, medical and reference book publishing	£10.2m
PENGUIN BOOKS Paperback books and other publishing	£1.5m
LADYBIRD BOOKS Children's books	£0.7m
Head Office Interest and expenses	(£0.9m)

Profit after taxation	£12.7m
Earnings per ordinary share	30.06p
Dividends per ordinary share	9.977p
Turnover	£175.9m

Extracts from Mr. M. J. Hare's statement

Tribute to Lord Gibson
I would like to express our appreciation for the outstanding service given to the company by Lord Gibson, who resigned from the chairmanship and from the board of the company in March 1979. During his chairmanship pre-tax profits of the company increased from £2.7 million to £25.5 million which in itself is a tribute to his stewardship.

Record Profit
1978 was a record year for Pearson Longman. Profits exceeded those of 1977 by substantially more than the rate of inflation even though they reflect some development expenditure. The profit before tax of £25.5 million compares with £21.4 million achieved in 1977, an increase of 19.2 per cent.

Dividend
We are proposing a final dividend which will increase the total for 1978 by 10 per cent over 1977 which is the maximum currently allowed to us.

Trading Activities
For The Financial Times the year was a particularly important one. It committed substantial development expenditure to three initiatives. The first was the publication of the daily newspaper in Frankfurt as well as in London; the second was the launching of *World Business Weekly* in North America; the third was the further development of Fintel, the joint company with Exchange Telegraph which is providing services in the business information field based on new electronic systems. Westminster Press had a very successful year due not only to strong advertising revenue but also because of circulation growth in many of its newspapers. Longman increased its profits and continued its policy of developing both the range of its publishing and the spread of its sales in varying parts of the world. At Penguin the results showed a modest overall improvement on 1977 and at Ladybird the profits increased satisfactorily as a result of higher book prices and of a greater volume of sales.

The Current Year
Results in 1979 will be affected by an exceptionally high level of development expenditure. It is unlikely that this expenditure will be offset by profit increases during the year, but in the longer term we envisage it will contribute greatly to the group's market strength and profitability.

Stop Press

I am delighted to record the honour bestowed on the Longman Group of The Queen's Award for Export Achievement.

1979

To: The Secretary
Pearson Longman Limited
Millbank Tower
Millbank, London SW1P 4QZ

Please send me a copy of the 1978 Annual Report

Name
Company
Address

FT3/5

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Battle for National Airlines heats up

By Our New York Staff

THE BATTLE for control of National Airlines has gathered pace over the last few days as the parties jostle for position in advance of National's shareholders' meeting on May 16.

National's gritty determination to fend off the small regional airline, Texas International Airlines (TXIA), has carried it to a virtually unprecedented legal move against the Civil Aeronautics Board. In essence, National filed papers on Tuesday asking a court to prevent the CAB from reviewing an administrative law judge's recommendation that TXIA should not be allowed to acquire the Miami-based carrier. If the CAB were barred from reviewing the judge's ruling, it would probably stand, and thus eliminate TXIA from contention.

The same judge also ruled against the bidder preferred by National, Pan American World Airways, whose $41 a share offer will be recommended to the meeting. The same meeting will also consider a $50 a share bid from National's competitor on New York-Florida routes, Eastern Airlines.

The CAB, and ultimately the White House, which must endorse any final decision, hold the key to the resolution of this contest. Any decision at the shareholders' meeting is therefore provisional, and subject to whatever stand the Federal Government finally takes. But the line-up is as follows:

- Pan Am's $41 a share bid has been recommended by the National board for acceptance.
- Eastern's $50 a share bid is opposed, but if Eastern wins final government approval its bid would be accepted by National. If Pan Am also wins approval, Pan Am will have to match the bid, and the merger would then go to an auction controlled by National.
- TXIA, unlike both Eastern and Pan Am who are bidding cash, is offering a mix of cash and securities which it says is worth $50.

The CAB will decide on May 25 whether to endorse or reject the law judge's recommendations on the applications from TXIA and Pan Am. A separate law judge is considering Eastern's application.

Brascan in legal action to avoid control by Edper

BY JOHN WYLES IN NEW YORK

BRASCAN, the Canadian holding company which is fighting to acquire F. W. Woolworth, has launched a court action to avoid falling under the control of another Canadian company which is strongly opposed to the $1.12bn bid for the giant retailer.

Late on Wednesday, Brascan secured a temporary injunction barring Edper Equities from completing purchases made on Tuesday of around 3.5m of Brascan's shares. In brief buying sprees on Monday and Tuesday, which were unprecedented for the American Stock Exchange, Edper spent around $152m on stock, which would raise its holding in Brascan to 31 per cent. Edper claims to have the support of owners of another 14 per cent in its opposition to the bid for Woolworth.

A hearing on Brascan's application for a preliminary injunction against Edper will be held in New York this afternoon. Brascan claims that Edper, its officers and a Canadian brokerage house have violated U.S. securities laws.

Brascan has also asked the New York State attorney-general to investigate Edper's actions. Meanwhile, Brascan cannot formally launch its tender offer for Woolworth before the New York attorney-general has heard and ruled upon the retailer's objections to the adequacy of the Canadian company's disclosures on its bid. A hearing on this is scheduled for May 10.

Despite the battle with Edper, which is controlled by Peter and Edward Bronfman of Toronto, Brascan defiantly asserted yesterday that it would "vigorously pursue" the Woolworth bid. Mr. J. H. Moore, the company's chairman, added "We won't tolerate illegal and improper opposition from a single shareholder however large its holdings."

Edper, he said, had taken "numerous actions improperly designed to create uncertainty and doubt among both Woolworth and Brascan shareholders.

"While professing to be acting on behalf of Brascan's shareholders, they have consistently concealed what appears to be their true intention to acquire Brascan, and perhaps Woolworth, without any genuine regard for the interests of any Brascan shareholder other than Edper," he went on.

Brascan's management clearly has much riding on its case against Edper, which denies that it has any interest in acquiring Woolworth, directly or indirectly. Before Brascan made its legal move on Wednesday, Edper tried to be conciliatory in its statement issued after the share purchases, and stressed an interest in a co-operative relationship with Brascan's management.

If Edper manages to retain and vote its newly acquired shareholding, the Woolworth bid looks unlikely to proceed, and the future of Brascan's current management would seem uncertain.

Rhone Poulenc plans U.S. takeover

By Our Financial Staff

RHODIA, a wholly owned U.S. subsidiary of the giant French chemicals group Rhone-Poulenc, plans to make a cash tender offer for all of the outstanding shares of Anken Industries at $21 a share. There are some 1.2m Anken shares outstanding, making the offer worth around $25m.

The Anken directors have voted to recommend shareholders to accept the proposed offer.

Anken, whose 1978 turnover was $32m and profit around $2m makes film material.

Mr. Robert M. Verburg, the president and chief executive of Anken Industries, told the annual meeting that joining forces with Rhone-Poulenc would enable Anken to achieve growth that otherwise might take several years. Following announcement of the Rhone-Poulenc-Anken agreement, Xidex Corporation has withdrawn its proposal for a business combination with Anken.

Conoco forecasts record year

WILMINGTON—Mr. Ralph E. Bailey, chairman of Continental Oil Company (Conoco) said at the group's annual meeting that he expects Conoco to post record profits in 1979. He also expects the same for the industry as a whole, but added, "the industry faces record capital requirements and risks in developing needed additions to U.S. energy supplies."

In 1978, Conoco earned $451.3m or $4.20 a share on revenue of $9.9bn.

Mr. Bailey said Conoco's policy will be to plough back into domestic energy development all revenues derived from oil price decontrol. He saw no reason for the windfall profits tax proposed by President Carter.

Mr. Robert O. Anderson, chairman of **Atlantic Richfield**, is also optimistic on the outlook. He looks for an increase in second quarter earnings but does not expect it to match the 61 per cent first quarter gain. In the second quarter a year ago, Atlantic Richfield posted net earnings of $210.9m, or $1.73 a share.

For the rest of the year, Mr. Anderson said the company expects very good results. "We feel we can stay very close to where we are," he declared.

Agencies

Hooker costs hit Occidental

LOS ANGELES — Occidental Petroleum Corporation said the environmental problems of its Hooker Chemical Corporation subsidiary may require substantial expenditures.

But the company said the expenditures are not likely to have a material adverse impact on Occidental's consolidated financial position.

Occidental said that it and Hooker accept a moral responsibility to help remedy any problems that may have arisen from Hookers' past practices, and that "responsibility will be discharged" even though the question of legal liability may be in dispute.

Occidental reiterated that its estimate of the cost of cleaning up certain dump sites is a small fraction of a recently published estimate of $150m or more.

Meanwhile, Occidental disclosed that it has paid its new vice-chairman, Mr. Zoltan Merszei, $800,000 plus an annual salary of not less than $280,000 as part of his employment agreement. Mr. Merszei was also granted a 50,000 share stock option at an option price of $20.50 a share.

Resignations at Kohl

By David Lascelles in New York

THREE MEMBERS of the family which founded and ran Kohl Corporation, the Wisconsin supermarket and stores chain acquired in 1972 by Brown and Williamson Industries, the British American Tobacco subsidiary, have resigned.

Their departure coincides with a far-reaching shake-up in the Brown and Williamson retail operation, which includes Gimbels Saks, designed to make it more efficient and profitable.

Mr. Herbert Kohl, 44, Kohl's president and chief executive officer communicated his resignation last week to Mr. J. Edens, B and W's president. Mr. Edens accepted the resignation with regret.

INTERNATIONAL CAPITAL MARKETS

Wells Fargo cuts role in Euroloans as spreads fall

BY NICHOLAS COLCHESTER

WELLS FARGO and Company, the California bank which is the 11th largest in the U.S., is currently placing less emphasis on its international banking activities because of the low level of profit now available on Eurocurrency loans. Mr. Alan Holroyde, who has recently been appointed senior vice president in charge of Wells Fargo's London-based operations yesterday predicted a reduction in the amount of assets Wells Fargo would have in the form of such loans.

Wells Fargo is pursuing this strategy at a time when other large U.S. banks—notably Morgan Guaranty and Citibank—have acquiesced to the low level of spreads now available on syndicated loans. The most recent spread for a top quality borrower — the difference between the market rate for Eurodollars and the interest paid by the borrower—has dipped fractionally below ⅜ per cent, and the risk premium charged for riskier borrowers has dwindled. As yet, there is no sign of a change in this situation.

Mr. Robert Kemper, vice-chairman of Wells Fargo Bank, explained that banks based in the major U.S. money centres had less choice in the way they deployed their dollars than banks such as Wells Fargo, with a large retail base. His emphasis for the moment was on lending opportunities in California.

He made it clear that Wells Fargo was happy with 20-30 per cent of its assets abroad, and that, in contrast to its strategy in the early 70s, it had no immediate desire to expand this proportion.

Steady tone in secondary deals

BY JOHN EVANS

PRICES of Eurodollar bonds were steadier, in quiet trading yesterday, with a continuing lack of support for many recent offerings.

The $40m eight-year 10¼ per cent issue from Avco Overseas Capital Corporation at par was quoted at 97¼-98¼, to yield 10.60 per cent to maturity.

A $50m 10-year issue of Canadian Pacific, bearing 9¾ per cent was quoted at a discount of 2¼ per cent from the issue price in pre-market indications.

However, the $100m of convertible floating rate notes offering by Manufacturers Hanover Ltd., bearing interest at ⅛ point over 3-month Libor, was oversubscribed and completed yesterday. Some pre-market quotes suggest trading should commence today in the 99-99¼ area.

Its companion, $150m 30-year issue, for Manufacturers Hanover Corporation in New York was sold as to 90 per cent last Friday, with the balance sold yesterday.

Elsewhere, the $150m 30-year issue, for Manufacturers Hanover Corporation in New York was sold as to 90 per cent last Friday, with the balance sold yesterday.

Elsewhere, the $150m five-year bullet for Norway bearing 9¼ per cent was priced at 100¼ by Deutsche Bank, with terms otherwise unchanged.

In Deutschemarks, Commerzbank is arranging a DM 75m private placement for Ireland, on the basis of an eight-year maturity and 7¼ per cent coupon at par.

Elsewhere, a SwFr 35m private placement for Argentina, due 1983, carries a coupon of five per cent and par pricing, through Swiss Bank Corporation.

Brazilian state entity seeks loan

BY OUR EUROMARKETS STAFF

THE Brazilian State merchant fleet authority, Superintendencia Nacional da Marinha Mercante (Sunamam), is seeking $250m in the medium-term Eurocurrency markets.

The loan will be divided into two $125m tranches: a 10-year portion carries a spread of ⅞ per cent over interbank rates and a 12-year tranche a margin of 1 per cent. Grace period on both tranches is six years. The loan is state guaranteed.

Toronto Dominion Bank has received the mandate to raise the loan, and is assembling a management group.

Sunamam's last big Eurocredit, in mid-1978, was for $300m. That loan, for 10 years, carried a 1⅛ per cent spread.

Among Mexican credits, Banco Nacional de Obras is understood to be giving notice of prepayment on an outstanding $150m five-year credit at split spreads of 1¼ and 1⅞ per cent raised in 1977.

Mexico is currently in the middle of a programme to renegotiate and reorganise a substantial portion of its foreign debt, particularly the high-cost loans contracted shortly after its economic crisis in 1976.

AMERICAN QUARTERLIES

	1979	1978
CANADIAN PACIFIC LTD. First quarter	$	$
Net profits	96.8m	67.9m
Net per share	1.34	0.94
CHICAGO PNEUMATIC TOOL First quarter	$	$
Revenue	96.6m	88.8m
Net profits	5.44m	5.19m
Net per share	1.02	0.95
GERBER PRODUCTS Year	$	$
Revenue	489.0m	443.1m
Net profits	27.46m	22.88m
Net per share	3.36	2.95
WALTER E. HELLER INTERNATIONAL First quarter	$	$
Revenue	139.4m	102.8m
Net profits	8.62m	7.38m
Net per share	0.73	0.63
HOLLY SUGAR Year	$	$
Revenue	147.2m	152.9m
Net profits	15.7m	16.1m
Net per share	†3.61	†3.87
† Loss		
HOUSEHOLD FINANCE First quarter	$	$
Revenue	3.38bn	2.90bn
Net profits	46.2m	38.4m
Net per share	0.90	0.55
HUSKY OIL First quarter	$	$
Revenue	168.4m	141.4m
Net profits	5.4m	8.9m
Net per share	0.85	0.80
INTNL. FLAVORS & FRAGRANCES First quarter	$	$
Revenue	101.7m	90.4m
Net profits	15.58m	13.31m
Net per share	0.43	0.38
MAPCO First quarter	$	$
Revenue	152.7m	155.5m
Net profits	13.4m	17.9m
Net per share	0.71	0.95
MARYLAND CUP Second quarter	$	$
Revenue	100.7m	94.1m
Net profits	2.70m	2.58m
Net per share	0.40	0.38
Six months		
Revenue	201.0m	[illegible]
Net profits	5.01m	4.75m
Net per share	0.75	0.71
NATIONAL MEDICAL CARE First quarter	$	$
Revenue	43.6m	35.9m
Net profits	4.32m	3.29m
Net per share	0.49	0.38
OGILVY & MATHER INTERNATIONAL First quarter	$	$
Net profits	797,000	1.78m
Net per share	0.20	0.55
OUTBOARD MARINE Second quarter	$	$
Revenue	209.7m	197.8m
Net profits	7.54m	13.46m
Net per share	0.90	1.61
Six months		
Revenue	330.7m	293.5m
Net profits	2.74m	4.04m
Net per share	0.33	0.48
READING & BATES First quarter	$	$
Revenue	55.4m	45.[illegible]
Net profits	5.74m	6.43m
Net per share	0.69	0.83
STUDEBAKER-WORTHINGTON First quarter	$	$
Revenue	374.0m	317.9m
Net profits	15.9m	17.1m
Net per share	1.12	1.07
UNITED ENERGY RESOURCES First quarter	$	$
Revenue	674.1m	527.1m
Net profits	26.4m	24.6m
Net per share	2.33	2.08
WHITE CONSOLIDATED INDUSTRIES First quarter	$	$
Revenue	437.3m	380.3m
Net profits	12.01m	10.81m
Net per share	0.84	0.74
WM. WRIGLEY JR. First quarter	$	$
Revenue	118.1m	95.0m
Net profits	9.11m	4.95m
Net per share	2.31	1.26

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on May 2

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¼ 89	200	83½	84	+0⅛	−0⅝	9.92
CECA 9¾ 84-99	50	95⅞	96⅜	+0⅛	−0⅛	9.83
Canada 9 83	400	97⅝	98⅛	0	−0¼	9.83
Canada 9¾ 98	350	95⅞	96⅛	+0⅛	−0⅛	9.95
Comalco Inv. E. 10⅝ 91	40	98⅛	98⅝	−0⅛	−0¼	10.46
Dow Chem. O/S 9⅝ 94	200	97	97½	−0⅛	−0½	9.98
EIB 9¼ 98	125	†93⅛	93¾	+0⅛	−1½	10.13
EIB 9⅝ 86	150	98⅞	99⅛	+0⅛	−0⅝	10.04
EIB 9⅞ 99	100	98¾	99¼	0	−0⅞	10.24
Export Dv. Con. 9.85 84	150	†100	100½	0	−0½	10.01
Export Dv. Cpn. 9¼ 84	100	97⅛	97⅝	0	−0⅛	9.94
Eksportfinans 9 86	50	95⅞	96⅜	+0⅛	−0¼	9.77
Finland 9½ 86	100	97⅜	97⅞	0	0	9.98
GTE Fin. 9½ 84	50	97⅞	98⅜	0	−0¼	9.99
Gould Int. Fin. 9⅝ 85	50	99⅛	99⅝	0	−0⅛	9.88
Hospital O/S 9 83	25	97½	97⅞	−0⅛	−0⅛	9.74
Hudson Bay Co. 10 94	50	100	100½	−0⅛	−0½	9.96
Itel Finance 9¾ 90	30	93¾	94¼	0	−0⅜	10.66
Itel Finance 10½ 93	40	96⅝	97⅛	−0⅛	−0⅜	10.95
J. C. Penney 8½ 83	100	95½	96	0	−0⅝	9.75
Manitoba 9½ 89	75	97	97½	0	−0¼	9.94
New Brunswick 9¾ 94	75	97⅝	98⅛	0	−0½	10.02
Newfoundland 10 94	50	99½	100	+0¼	0	10.03
Norsk Hydro 9¼ 94	50	94⅞	95⅜	0	−0⅛	9.88
Norway 9¾ 84	150	99⅞	100⅜	+0⅛	−0⅛	9.94
Portland 10 84	50	†97	97½	−0⅛	−0⅛	10.74
Redland Fin. XW 9½ 91	25	93⅛	93⅝	0	−0⅛	10.48
Sears Roebuck 9 82	150	98	98½	−0⅛	−0¼	9.72
Stockholm 9¾ 94	60	98⅞	99⅜	+0⅛	−1	10.10
UK 8⅞ 93	150	94¾	95¼	+0⅛	−0⅛	9.76

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	92	92¾	+0¼	−0⅛	6.80
Argentina 6½ 88	150	92½	93¼	0	−0⅞	7.59
Australia 6 88	250	92⅞	93⅝	−0¼	−2¼	7.00
Austria 5¾ 90	150	88½	89¼	−0⅛	−1½	7.20
Banco Desarrollo 7¼ 86	100	95⅞	96⅛	−0½	−0⅛	8.00
Bankamerica 5¾ 90	150	†90½	91	0	−1¼	6.94
Bq. Ext. Algerie 7¼ 85	100	97⅛	97⅝	−0⅛	−0½	7.77
Brazil 7¼ 87	150	98¾	99½	+0½	−0⅛	7.39
CECA 6 88	150	92¼	93	−0¼	−0⅞	7.09
CECA 7 91	150	†97	97½	−0⅛	−0⅛	7.35
Ch. Manhttn. O/S 6 93	100	92⅛	93⅛	0	−1⅛	6.81
Copenhagen City 6 90	75	89⅝	90⅜	0	−1½	7.31
Council of Europe 6¼	130	91¾	92½	−0⅛	−2⅝	7.43
Denmark 5¾ 85	100	94¾	94⅞	−0⅛	−1	6.91
Denmark 6½ 89	100	94⅞	95⅜	−0¼	−0⅞	7.21
FIR 6 90	300	88½	89¼	−0⅛	−2⅛	7.48
EIB 6½ 91	200	93⅞	94⅛	0	−1½	7.31
Eletrobras-Brazil 7 87	100	95¼	96	−0⅛	−0¼	7.76
Eurofima 6½ 89	100	98	98¾	−1⅝	−1⅞	6.73
Finland 6 83	150	97⅝	98⅝	−0⅛	−0⅞	6.47
Hitachi Ship. 5¾ 83	50	96⅛	96⅞	−0¼	−0½	6.64
Indonesia 7 84	100	95½	96¼	+0⅛	−0⅜	7.95
Kobe, City of 5¾ 86	100	94¾	95½	+0⅛	−0⅞	6.62
Mepal Fin. 7 89	150	97⅞	98⅝	0	−0¼	7.25
Mitsubishi Petro. 5¾ 85	100	97½	98	−1⅛	+1	6.18
New Zealand 6¾ 87	200	96⅞	97⅜	−0⅛	−0⅛	6.76
Nippon Kokan 7½ 84	100	97⅜	98⅛	−0⅛	−1⅛	8.07
Nippon Steel 5¾ 85	100	93¾	94½	0	+0¼	6.92
Nippon Tel. & T. 5¾ 87	100	89⅞	90⅝	0	−0⅛	7.18
Nordic Inv. Bk. 6¾ 86	60	96⅛	96⅞	−0¼	−1½	6.91
Norges Komm. 6 90	100	92	92¾	0	−1⅛	7.00
Norges Komm. 6¾ 89	150	94⅛	94⅞	−0½	−1	7.05
Norway 6¼ 84	200	99⅞	100⅝	+0⅛	−0½	6.19
Occidental 6¾ 90	150	94⅞	95⅝	0	−0⅞	7.37
OKB 6½ 88	100	97¾	98½	+0¼	−0¼	6.82
OKB 6 87	40	95⅝	96⅜	0	−0⅛	6.67
Petroleo Brazil 7 88	100	94½	95¼	−0⅝	−1½	7.78
Statoil 6 88	150	92½	93¼	0	−1⅛	7.06
Statoil 6½ 89	150	96¼	96¾	0	−0⅞	7.00
UDS Group 5¾ 83	65	95¼	96	−0⅛	−0⅞	6.94
Union Bank-Finn 6½ 88	50	92⅞	93⅝	0	−0¼	7.50
Venezuela 6½ 90	150	89⅝	90⅜	−0¼	−0⅛	7.84
World Bank 6¼ 88	400	94¼	95	−0¼	−0⅞	7.03

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acosa 5¾ 88	40	103½	104	−0¼	−0⅛	4.74
Amer. Exp. Int. 3½ 93	40	93⅜	93⅞	−0⅛	−1	4.08
Asian Dev. Bank 3½ 94	100	87⅛	87⅛	−0⅞	−1⅛	4.72
Austria 3½ 93	100	†90¼	90½	−1⅞	−3½	4.41
Australia 3¾ 89	250	95⅛	96⅛	−0⅝	−0¼	4.19
Brazil 4¾	100	94¾	95	−4⅞	−4¾	4.93
Canada 3¾ 89	300	95½	95½	−0⅛	−0⅞	4.21
Chase Manhattan 4 93	70	99¼	99½	−0⅛	−0¼	4.06
Council of Europe 4¼	100	97¾	98	−0⅛	−0⅞	4.49
Bankamerica 3¾ 93	80	94½	94¾	−1	−2	4.25
BNDE 5 88	75	101	101¾	0	+0⅞	4.84
Denmark 4½ 90	100	101½	101¾	0	−0⅝	4.31
Euratom 4¼ 93	80	94	94½	−0⅛	−0⅞	4.81
F. L. Smidth 4½ 89	25	98	98½	−0⅝	0	4.71
Finland 4½ 93	80	99¼	99¾	−0¼	−0¼	4.56
GZB 4½ 93	100	99¼	99½	−0⅞	−0¾	4.56
Heron 4¾ 89	35	95¼	95½	−0⅛	+0⅛	4.85
ICI Fin. NV 3½ 94	230	90	90½	−0⅜	−1⅛	4.41
Malaysia 4¾ 90	80	97½	98	+0⅛	−0⅞	5.01
New Zealand 3¾ 94	120	91⅛	91½	−1⅛	−1½	4.31
OKB 3¾ 91	100	93½	93¾	−1½	−2⅛	4.45
Pfand Ost. Lande 4 90	60	†95¾	96	−0⅝	−0½	4.48
Philippines 4¾ 89	50	97	97½	−0⅛	0	5.11
Sandvik 4 90	85	97	97½	−0½	−1½	4.30
Spain 4 91	100	95½	95¾	−0½	−0½	4.48
Vienna 4 93	100	94¼	94½	−0½	−1	4.54
World Bank 4¼ 93	250	94⅞	94⅞	−1⅞	−2⅜	4.87

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	85½	86½	0	+0¼	7.92
Australia 5.6 83	30	93½	94½	−0⅛	0	7.28
Australia 6½ 88	20	91⅞	92⅞	0	+0⅛	7.82
Finland 5.6 83	10	92⅞	93⅞	0	+0⅛	7.51
Finland 6.8 88	10	92½	93½	0	0	8.06

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	97⅞	98⅞	−0⅛	−0⅛	9.42
Ex. Dev. Cpn. 10 84 C$	50	99⅛	99⅝	−0⅛	−0⅛	10.13
Hudson Bay 10½ 89 C$	60	99⅝	100⅛	0	−0½	10.52
Quebec 10¾ 86 C$	50	98¼	99¼	0	+0⅛	10.45

	Issued	Bid	Offer	Change on day	Change on week	Yield
R. Bk. Canada 10 86 C$	40	99⅝	99⅞	0	−0⅛	10.12
R. Bk. Canada 10 84 C$	40	97	97½	−0⅛	−0⅛	10.37
Komm. Inst. 7½ 93 EUA	15	97⅛	98⅛	0	−0⅛	7.76
Panama 8¼ 93 EUA	20	96½	97⅞	0	0	8.69
SOFTE 8¼ 89 EUA	40	97¼	98½	+0⅛	0	8.57
Algemene Bk. 6¾ 83 Fl	75	95⅞	96	−0⅛	−0⅛	7.55
CFE Mexico 7¾ 83 Fl	75	97⅝	98⅛	0	−0⅛	8.38
EIB 7¾ 85 Fl	75	93⅞	94⅝	0	−0⅛	8.43
Ned. Middbk. 8¼ 84 Fl	75	99⅞	100⅝	+0⅛	+0⅛	8.18
New Zealand 6¾ 84 Fl	75	93⅞	94⅝	−0⅛	0	8.15
Norway 8¾ 84 Fl	100	100⅛	101⅛	0	−0⅛	8.05
Elf Aquitaine 9¾ 88 FFr	150	98⅞	99⅜	+0⅛	0	9.92
EIB 9¾ 88 FFr	200	99	99½	+0⅛	0	9.86
Norway 9¼ 84 FFr	200	99⅛	99⅞	−0⅛	0	9.37
PSA Peugeot 9¾ 87 FFr	175	99	99½	0	−0⅛	9.88
Solvay et Cie 9¾ 87 FFr	125	99	99½	−0⅛	−0⅛	9.89
Total Oil 9¾ 87 FFr	150	97	97½	0	−0⅛	9.88
Unilever 10 85 FFr	100	100⅞	101⅞	+0⅛	0	9.73
CECA 9⅞ 89 £	20	91⅛	91⅞	0	+0⅛	11.08
Citicorp 10 93 £	20	90⅛	91⅛	−0⅛	+0⅛	11.31
EIB 9¾ 88 £	25	94⅛	95	0	+0⅛	10.71
Finance for Ind. 13 91 £	15	103⅛	104⅛	−0⅛	−0⅛	12.33
Gen. Elec. Co. 12¼ 89 £	50	101⅛	102⅛	−0⅛	0	12.13
Bayer Lux. 8 86 LuxFr	250	97	98	−0⅛	−0⅛	8.46
EIB 7¾ 88 LuxFr	250	97⅛	98⅛	+0⅛	+0⅛	8.12
Euratom 8 87 LuxFr	500	99⅞	100⅞	0	−0⅛	7.97
Finland I. F. 8 88 LuxFr	250	96⅞	97⅞	−0⅛	−0⅛	8.42
Norway 7¾ 83 LuxFr	250	97⅛	98⅛	−0⅛	−0⅛	8.42
Norges Km. 8 86 LuxFr	500	98⅞	99⅞	−0⅛	0	8.15
Oslo, City of 8 89 LuxFr	500	98⅞	99⅞	−0⅛	−0⅛	8.11
Solvay Fin. 8 85 LuxFr	500	99⅞	100⅞	−1	−0⅛	7.98
Swedish Bk. 8 88 LuxFr	500	99⅞	100⅞	−0⅛	−0⅛	8.01

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M6.5 83	0⅞	96⅛	97½	31/7	11.44	11.78
BFG Fin. Co. M5.5 89	0¼	98½	99	12/7	12.4	12.56
Banco di Roma M6 87	0¾	98⅛	98⅞	28/10	11.19	11.36
Bco. El Salvador M8 83	1⅞	96⅞	97⅛	12/10	12¼	12.81
Bco. Nac. Argnt. M8 83	0½	100⅛	100⅞	21/7	12¼	12.19
Bco. Nac. Argnt. 7 86	0¾	97⅞	98⅛	22/9	11½	11.73
Banco Urquijo 6 86	0¼	97⅞	98⅛	21/9	11½	11.73
Bank of Tokyo M5½ 93	0¼	98	98½	18/10	11⅝	11.96
Bq. E. d'Alg. M8.375 84	0⅞	97	97⅜	9/8	11⅞	12.20
Bq. Ext. d'Alg. M7.5 85	0⅞	†95⅛	95⅝	2/11	11⅞	12.43
Bq. Indo et Suez M5½	0¼	99⅝	99⅞	25/7	12	12.05
Bq. I. Af. Occ. M6.5 83	0¾	98⅛	98⅞	12/7	12.4	12.59
BNP 5½ 91	0¼	97⅞	98⅛	22/2	11½	11.69
CCCE M5.25 98	0¼	97⅛	98⅛	3/8	11⅛	11.62
Ch. Man. O/S M5¼ 93	0¼	98⅝	99⅛	27/7	11.73	11.84
Citicorp O/S Fin. 6 94	0¼	99⅛	99⅞	8/6	11.06	11.10
Credit National M5¼ 88	0¼	98½	99	11/7	12.31	12.47
Gotabanken M6 88	0¼	98	98½	15/5	12.31	12.53
Ind. Bk. Japan M5½ 85	0¼	99½	100⅛	1/6	12.35	12.37
LTCB Japan M5¼ 85	0¼	99	99½	9/5	12.06	12.15
Midland Intl. M5½ 93	0¼	98⅞	99⅛	20/7	12¼	12.37
Nipp. Crdt. Bk. M5 5 85	0¼	99½	100	22/6	12.81	12.85
OKB M5¾ 88	0¼	99⅛	99⅝	18/10	11.44	11.49
Offshore Mining 86	0¼	99⅝	99⅞	19/7	12.19	12.26
Petro Mexicano 7¼ 84	0¾	99	99½	24/7	12.06	12.15
Privredna Banka M8 86	0⅞	96⅛	97⅛	22/6	13.44	13.91
Standard Chrt. M5.5 90	0¼	97⅞	98⅛	10/8	11.56	11.78
Sundsvallsbnkn. M6 85	0¼	97½	98	4/10	11.06	11.32
Texas Int. Air. M7 86	0¼	97⅛	98⅛	11/10	11¼	11.48
Utd. Overs's Bk. M6 89	0¼	97⅞	98⅛	29/9	11.14	11.38

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Baker Int. Fin. 5½ 93	1/79	34	118	119½	−0⅛	0.61
Boots 6¾ 93	2/79	2.16	110⅛	111½	+0⅛	−3.24
Ciba-Geigy O/S F. 4 94	9/79	675	96½	97½	−0⅛	−18.03
Coca-Cola Bottling 6¾	4/79	9	90	91½	0	23.02
Essolte 7¾ 89	9/79	159	86½	97⅞	+0⅛	9.40
Honda Motor 5½ 89	5/79	532	99⅛	100⅛	−0⅛	0.22
Ito-Yokado 5¾ 93	6/78	1339	105	106	−0⅛	2.86
Novo Industri 7 89	4/79	259	87½	89	+0⅛	13.03
Texas Int. Air. 7½ 93	4/79	14.5	90	90⅛	−0⅛	20.44
Thorn Int. Fin. 7 88	11/78	3.67	138	139	+1	−1.22
Asahi Optical 3¼ DM	12/78	588	88⅞	89⅞	−0⅛	8.50
Casio Co. 3¼ 85 DM	11/78	841	88½	89½	−1	15.44
Fujitsu 5 84 DM	7/79	475	98⅛	99⅛	+0⅛	16.48
Izumiya 3¼ 86 DM	10/78	989	86⅛	87⅛	−2⅛	−0.07
Jusco 3½ 86 DM	1/79	1154	84⅛	85⅛	+0⅛	27.35
Kansai Elec. 4 84 DM	4/79	1350	87⅛	88⅛	+0⅛	34.10
Konishiroku 3½ 85 DM	1/79	612	89⅛	90⅛	+0⅛	18.42
Marudai Food 3½ DM	2/79	1033	82⅛	83⅛	−0⅛	31.44
Murata M. 3½ 86 DM	11/78	854	95⅛	96⅛	0	6.22
Nipp. Air. 3.5 88 DM	12/78	508	83½	84½	+0⅛	13.55
Nippon Ysn. 3½ 85 DM	1/79	251	97⅛	98⅛	+0⅛	6.70
Nissan Diesl. 3½ 85 DM	2/79	477	91⅛	92⅛	+0⅛	11.86
Olymp. Opt. 3½ 85 DM	2/79	703	97⅞	98⅞	−0⅛	0.31
Ricoh 3½ 86 DM	10/78	617	90⅛	91⅛	+0⅛	14.75
Sharp Cpn. 3½ 88 DM	2/79	487	92½	93½	−0⅛	10.63
Stanley Elec. 3½ DM	11/78	623	87⅛	88⅛	+0⅛	30.01
Tokyo Elec. 3½ 87 DM	4/79	476	90⅛	91⅛	+0⅛	21.62
Tokyu Ld. Co. 4 86 DM	4/79	493	86⅛	87⅛	+0⅛	14.23
Trio-Knwd. 3½ 86 DM	11/78	711	86	87	0	18.35

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C. dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

FRENCH ACCOUNTING

COB again urges greater disclosure

BY DAVID WHITE IN PARIS

FURTHER IMPROVEMENTS in the standard of information made available to shareholders of French companies are urged by the Stock Exchange Commission (COB) in its annual report.

Information is generally much better than it was 10 years ago, the commission says, but "much remains to be done in this area."

It describes as "profoundly abnormal" the fact that some companies which head large groups continue not to publish consolidated accounts. It also strongly criticises the practice of publishing *half-yearly figures* without explanation.

The COB recently drew up a list of 80 companies which had not complied with its request for more detailed commentaries. The majority have since indicated that they will comply in future, says the report.

The consolidated accounts which are published too rarely contain information on how they can be compared with those of previous years, the report goes on.

But it is optimistic that the latest EEC directive on harmonisation of accounts, approved in July last year, will improve both the presentation of and the information in French company results.

The report contains details of the COB's inquiry last year into dealings in steel company shares at the time of the Government's announcement of a major reform plan for the industry.

While clearing those concerned of offences under rules governing the use of privileged information, the COB criticises Denain-Nord-est-Longwy, the holding group which formerly controlled the leading steel producer Usinor, for the sale of shares at a time when its chairman had been informed of the plan due to be announced.

Companies belonging to the group sold 227,000 DNEL shares and 302,000 Usinor shares between August 17 and September 20, the day the steel plan was published. *But the COB says* the sales were not motivated by personal interests and could be explained by the group's need for liquid funds.

The COB also clears foreign banks involved in the transactions of acting on the basis of inside information.

The need for better guidance for shareholders is increased by the arrival of new investors on the market, the commission says, following last year's Government incentives for investment in shares.

Tax exemptions led to a sharp increase in the assets of portfolio investment companies (Sicavs) to FFr 37bn ($8.5bn) from FFr 27bn.

New share issues by quoted companies, which had stagnated since 1974, quadrupled last year to FFr 4.4bn. At the same time, bond issues rose by over 12 per cent to a new record of FFr 57.8bn, although issues by non-state sector borrowers went up by only 5 per cent.

The volume of stock market dealings, stimulated both by the government's election victory and by the tax incentives, also set a new record of FFr 85.2bn, a rise of 77 per cent over 1977. Total capitalisation on the Paris Bourse increased to FFr 189bn from FFr 129bn.

RSV sinks deeper into the red

BY OUR FINANCIAL STAFF

HOLLAND'S major shipbuilding group, the loss-ridden Rijn-Schelde-Verolme (RSV), is seeking up to Fl 750m ($364m) in aid from the Dutch government and has warned of the serious consequences of further heavy losses this year.

The company said yesterday that last year's net deficit totalled a provisional Fl 59.7m ($29m), well up on the Fl 49.6m loss of 1977, but lower than some analysts' estimates of a few months ago.

RSV also incurred reorganisation costs of some Fl 123.8m, of which the state bore Fl 70m. According to Mr. Allerd Stikker, chairman of the management board, further measures are necessary, an important condition for their success being more state funds.

RSV said it was seeking either Fl 375m or Fl 750m of state aid, depending on whether its large shipbuilding and offshore activities were continued or not.

Both amounts would include the conversion into interest-free debt of Fl 120m already received from or promised by the government.

Mr. Stikker said that the shipbuilding and offshore losses would have to be eliminated through closure or their continuation as a separate company under the auspices of the state.

The risks on the ship-repairing side must be limited by increased concentration, restructuring and cost-cutting, he said. RSV's board believed that the company should be split up into two groups, or three if the large shipbuilding activities are carried on, he said.

The cost of maintaining shipbuilding and offshore activities in a separate state account would be as high as Fl 555m. Closing them, the company said, would cost around Fl 180m.

To this must be added the converted Fl 120m of aid, originally to be in subordinated loan form, Fl 50m for investment and integration costs in its repair yard, and a further Fl 25m for new machinery.

Of the Fl 415m of state aid promised last year, Fl 90m of special aid has already been received and Fl 80m represents a government stake in RSV of over 40 per cent from the end of 1978.

Also included in the Fl 415m figure and in the latest request was the Fl 120m of aid which RSV would like to see converted. The company said it could not comment at this stage on the rest of the promised aid total.

Setback for French steelmaker

By Our Financial Staff

THE HEAVY losses forecast for 1978 by French steelmaker Denain Nord-Est Longwy emerge at FFr 656.4m ($150m) compared to a deficit of FFr 7.86m in 1977.

The cost of reorganising the French steel industry has severely hampered DNEL, which used to control France's largest steel producer, Usinor, and the steel tube manufacturer, Vallourec.

Before write-offs and provisions for declining share values, DNEL managed to produce a profit of FFr 60.9m, against FFr 55.7m a year earlier. Provisions for debt at Usinor cost FFr 260m and those for declining share values amounted to FFr 444m. Moreover, the company had to take into account net losses from asset sales.

As a result of the 1978 losses, DNEL proposes to discharge its carried over deficit by incorporation from reserves and by a reduction of capital. Nominal value of the shares will be halved to FFr 50, cutting capital to FFr 476.2m.

Denain's former interest in *Usinor was reduced to 21 per* cent under the French Government's steel industry restructuring plan, announced last September. The same plan also reduced Denain's shareholding in Vallourec to 23 per cent from 48 per cent.

● The problems of the French steel industry have also washed over on to Pechiney Ugine Kuhlmann which reports a sharp fall in profits for 1978. Net earnings have dropped to FFr 261m from FFr 377m, a decline of 31 per cent. The result confirms the trend disclosed last month *when parent company profits at* PUK were shown to be 15 per cent lower.

Net earnings per share of the metals and chemicals group fell to FFr 10.24 from FFr 14.80, and gross cash flow declined to FFr 1.216bn from FFr 1.500bn. The company intends to pay an unchanged net dividend of FFr 5 per share.

Strikes hamper Krupp steel

BY ADRIAN DICKS IN BONN

THE STEEL making arm of the Krupp group, Fried. Krupp Huettenwerke, made a loss of DM 65.8m ($34.81m) in 1978, by two-thirds from the DM 40m loss suffered in 1977.

Despite this disappointing result, the company's supervisory board said yesterday that it was pleased with last year's developments in the light of the continuing international steel crisis. Had the company not been hit hard by the steel industry stoppage in December, it suggested, the final result for 1978 might have been close to a break-even point.

The company also noted that 1977's loss of DM 40m would have been four times as high had it not been for special items such as property sales.

While FKH has not yet published full details of 1978 performance, it said that significant benefits had already been felt last year from implementation of major new investments in new plant and technology, as well as from last year's lower prices for raw materials.

The FKH supervisory board also gave the go-ahead for a series of further major investments. These include conversion of the company's Rheinhausen plant to enable production of special steels by a new process, at a cost of DM 32m. FKH is spending a further DM 20m at Rheinhausen on a new high-pressure boiler system for the plant's power station.

At Bochum, the company is undertaking the reconstruction of its steel forging activities, for a cost of DM 40m, as well as installing an electric arc furnace to help shift the emphasis further towards special steels production.

● Daimler-Benz expects a turnover of DM 27bn worldwide for 1979. Passenger car production which, like sales, was held down in 1978 by the engineering industry strike, is expected to recover from 393,000 last year to over 420,000 this year, while commercial vehicle output should reach 240,000 units.

The company is paying a dividend of DM 9 per share for 1978.

Finnish paper group is more hopeful

By Lance Keyworth in Helsinki

WILH. SCHAUMAN, the Finnish pulp and paper company, cut its losses sharply last year and is reasonably hopeful about the outlook for 1979.

The company, which ran into heavy debt problems a few years ago, reported a 1978 deficit of FM 4.8m ($1.2m) compared with FM 9.2m the previous year. This was after taxes, liquidation of inventories and depreciation that were much smaller than the permissible total.

As a result of the improvement, Schauman has decided to increase its ordinary share dividend to 6 per cent from 4 per cent and maintain an 8 per cent distribution on the preference shares.

Last year, operating profits rose considerably to FM 114.5m, representing 12.5 per cent of turnover, from FM 28.9m, or only 4.1 per cent, in 1977.

Net sales of the parent company increased by 26 per cent to FM 894m. For the Schauman group consolidated turnover rose to FM 1.08bn, an increase of 26 per cent. In spite of this, the main divisions of the company ran at a loss because of inadequate world prices relative to costs for wood products, pulp and paper. Only the boatbuilding division, Nautor, showed a satisfactory result.

Norwegian state refiner cuts deficit by half

BY FAY GJESTER IN OSLO

NOROL, NORWAY'S state-dominated petroleum refining and marketing company, reports significantly improved results for 1978. Net losses have been halved to NKr 36m ($7m).

The company, which has a 40 per cent stake in Norway's new Mongstad refinery, and about a quarter of the Norwegian market, for oil products, increased net turnover by NKr 174m to NKr 2,275m last year. Profits after depreciation of NKr 85m but before financial costs, was NKr 14m compared with a loss of NKr 10m in 1977.

Norol's continuing high financial costs reflect the debts which the company has carried since it was formed in 1976 through a state takeover of BP's Norwegian affiliate. Norsk Braendselolje plus some small mergers. Braendselolje made a loss in its last operating year, which the new company inherited.

The company is seeking fresh equity from the state and the Board believes that if the capital problem can be satisfactorily solved, Norol should be able to move into the black next year.

It adds, however, that the oil products business is marked by "difficult and uncertain price and supply conditions" and says it will be vital for the company to secure steady supplies of crude oil at a competitive price, under long-term agreement.

Optimism from Tampella

BY OUR FINANCIAL STAFF

FINNISH PAPER group, Tampella, whose net profits last year edged ahead to FM 3.82m ($960,000) from FM 3.74m, is cautiously optimistic about the outlook for the current 12 months.

Parent company net sales came to FM 1.31bn ($325m) against FM 1.32bn in 1977, but the consolidated net sales of the group rose from FM 1.5bn to FM 1.58bn.

The upturn was due mainly to the 22 per cent increase in turnover of Tampella Espanola and a 27 per cent increase in the sales of Etelae-Suomen.

The performance of the individual divisions was uneven. The paper and board division benefited from the strengthened demand for forest industry products.

BNP profits expansion

By Terry Dodsworth in Paris

ALL-ROUND improvement in the performance of Banque Nationale de Paris led to a 30 per cent increase in group profits last year to FFr 528m ($120m). Parent company profits, taking into account an exceptional tax charge and provisions, amounted to FFr 335m.

The consolidated results include the profits of any affiliate in which BNP has more than a 50 per cent stake. But in most of these companies it has between 80 and 100 per cent.

A re-evaluation of assets last year threw up a surplus of FFr 1.8bn, giving the bank a total capital base of FFr 4.8bn. This compares with a figure of FFr 2.6bn at the end of 1977.

The consolidated balance sheet rose to FFr 326bn last year, up by FFr 60bn, compared with 1977. At company level the increase was valued at FFr 59bn, reaching a total of FFr 306bn.

Swiss brewer dips into losses

BY BRIJ KHINDARIA IN GENEVA

UNVEILING consolidated figures for the first time, Swiss drinks group, Sibra, reports a net loss of SwFr 11.9m ($6.9m) for 1978.

The company, the second largest brewer in Switzerland, suffered a modest reduction in market share last year—sales rose by just over 3 per cent—but the main reason for the deficit on trading was a combination of additional depreciation and exchange rate losses.

The exchange rate losses, which have resulted from an investment in Dakar in Senegal, have been incurred over a number of years and were taken fully against the 1978 results. The losses totalled SwFr 16.4m.

Mr. Nello Celio, the chief executive, said in Berne that but for the Dakar operation the group would have made a gross profit of SwFr 1.1m. The consolidated turnover was SwFr 235.5m ($138m) but sales of its well-known brand of beer, Cardinal, fell by about 2.2 per cent, compared with a reduction of 0.9 per cent in the sales of the beer industry

Sales of non-alcoholic beer increased considerably and exports rose by 33 per cent. Of the total turnover, SwFr 110m came from Cardinal beer sales and about SwFr 70m from non-alcoholic beverages.

Mr. Celio expressed guarded optimism about business conditions in the 1979 financial year, but indicated that further expansion of reserves was needed before dividends could be resumed.

● Swiss banks have acquired ownership of Eurocard (Suisse), a subsidiary of the Brussels-based Eurocard International, in a bid to promote Eurocard in Switzerland as a rival to the large international credit card groups, American Express and Diners Club.

Through international affiliations, Eurocard claims to be the largest credit card network, with 57m cardholders and more than 2.6m enterprises in about 100 countries which accept the card.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	24.4.79	30.4.79	AVERAGE YIELD	24.4.79	30.4.79
DM Bonds	101.57	100.82	DM Bonds	7.034	7.165
HFL Bonds & Notes	99.09	98.60	HFL Bonds & Notes	8.502	8.590
U.S. $ Strt. Bonds	95.45	95.40	U.S. $ Strt. Bonds	9.460	9.496
Can. Dollar Bonds	96.56	96.34	Can. Dollar Bonds	9.981	9.991

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Mining Finance	+ 39.58	Capital Goods Group	+ 20.01
Food Retailing	+ 37.56	Hire Purchase	+ 19.56
Stores	+ 35.66	Contracting and Construction	+ 19.32
Oils	+ 35.56	Engineering Contractors	+ 18.81
Entertainment and Catering	+ 34.96	Wines and Spirits	+ 18.61
Property	+ 33.93	Metal and Metal Forming	+ 17.08
Insurance (Life)	+ 31.50	Other Groups	+ 17.00
Electronics, Radio and TV	+ 30.75	Tobaccos	+ 15.99
Merchant Banks	+ 30.28	Packaging and Paper	+ 15.73
Banks	+ 29.37	Chemicals	+ 15.46
Newspapers and Publishing	+ 28.47	Food Manufacturing	+ 15.02
Building Materials	+ 26.93	Office Equipment	+ 14.23
Financial Group	+ 26.52	Mechanical Engineering	+ 12.87
Overseas Traders	+ 25.52	Shipping	+ 12.72
Consumer Goods (Non-Durable) Group	+ 24.59	Pharmaceutical Products	+ 10.71
Discount Houses	+ 24.52	Gold Mines F.T.	+ 8.06
Electricals	+ 24.38	Motors and Distributors	+ 7.39
All-Share Index	+ 24.23	Household Goods	+ 6.31
Insurance (Composite)	+ 23.70	Insurance Brokers	+ 5.43
500 Share Index	+ 23.56	Textiles	+ 2.36
Breweries	+ 23.37	Toys and Games	− 3.99
Industrial Group	+ 21.32		
Consumer Goods (Durable) Group	+ 21.24		
Investment Trusts	+ 21.03		

† Percentage changes based on Tuesday, May 1, 1979, indices.

Record profits at Matsushita

BY YOKO SHIBATA IN TOKYO

MATSUSHITA Electric Industrial Company achieved record earnings and sales on a consolidated basis for the 1978-79 first quarter, ended February 20.

Consolidated net sales went up by 8 per cent to Y528.61bn ($2.38bn) and net profits rose by 5 per cent to Y19.44bn ($88.10m). Profits per share were Y16.67, compared with Y16.12 a year earlier. The number of consolidated subsidiaries increased to 119, of which overseas subsidiaries accounted for four (in America, Taiwan, Malaysia and Singapore).

During the quarter, Matsushita's exports dropped by 11 per cent to Y125.73bn, in part reflecting the yen appreciation and in part the suspension of colour TV exports to the U.S. However, the export fall was more or less offset by brisk domestic sales, up 15 per cent in such fields as colour television sets.

The U.S. Treasury has been demanding that importers of Japanese colour TV sets pay anti-dumping duties on sets sold over a two-year period to June 1973. Importers and Japanese TV manufacturers have refused to pay the duties and little progress has been made in negotiations, although the Japanese Government has been involved. This month, the U.S. Treasury will send an investigation team for the verification of the documents which Japanese manufacturers submitted to the Treasury last January. In the face of the dumping issue, Matsushita decided to stop exporting there and boost production in the U.S.

To cope with the difficulties, Matsushita Electric split Quasar Electronics, a division of Matsushita Electric of America, into two companies last January so that the company was able to produce the Quasar brand and Matsushita's own Panasonic brand.

The company forecasts that exports for the current fiscal year will dip by 4 per cent, chiefly because of the sharp fall in colour TV exports. However, the favourable impact of the recent yen depreciation is expected to limit the decline.

Matsushita has assumed an exchange rate at around Y190-195 against the U.S. dollar during the current fiscal year. Meanwhile, double-digit growth is expected in domestic sales.

Last month Matsushita issued 4.4 per cent unsecured convertible debentures with a maturity of six years, and was the first Japanese corporation authorised to issue unsecured bonds. Through this issue, the company will raise Y50bn.

ASIAN FINANCE

The CD vogue spreads to Malaysia

BY ANTHONY ROWLEY, RECENTLY IN KUALA LUMPUR

CERTIFICATES of deposit (CDs) are in vogue in Asia at present and this week Kuala Lumpur has become the latest of three South-East Asian capital markets to introduce a formal market in these negotiable instruments. At the same time, yesterday, Kuala Lumpur also inaugurated a formal market in bankers' acceptances, designed to reduce the cost of trade credit as well as to provide corporate borrowers with new avenues for fund raising, and the money market with new instruments.

Malaysia's neighbour, Singapore launched a formal market in Singapore dollar-denominated CDs just over a year ago, and this has flourished, albeit that the market is heavily dominated by the Japanese banks there investing in each other's CD issues. Tokyo a few weeks ago introduced a peculiarly Japanese form of semi-negotiable, yen-denominated certificate of deposit.

With the launching of Malaysian dollar (or ringgit) denominated CDs, Kuala Lumpur becomes the third of the trio, although the Malaysian capital has varied on Singapore by instituting a formal market in bankers' acceptances as well. The Singapore Monetary Authority has been contemplating a similar, bankers' acceptances move for some time, but has yet to go ahead.

The introduction of CDs in Malaysia signifies, through official eyes at least, increasing sophistication on the part of Malaysian corporate treasurers and other major investors in the use of surplus funds.

Nevertheless, the central bank, Bank Negara Malaysia, is urging all banks here to "conduct campaigns" to make sure that investors understand what making a market for these CDs are all about. The success in instruments depends on the demand for them by businessmen, corporate treasurers, institutional investors and to a limited extent, individuals," the central bank said in recently-issued guidelines to the banks.

The launching of the two financial instruments is seen by some bankers as portending increased competition for funds among commercial banks, and between commercial and merchant banks. The moves follow closely on the decision by the central bank late last year to free deposit rates from official determination, in favour of free competition on rates among the commercial banks.

Dealings in negotiable Certificates of Deposit were "fairly active but cautious" on the first day of trading in Kuala Lumpur, reports Reuter. Activity centred on six month and one year certificates. Bankers acceptances—also introduced yesterday—were comparatively neglected. Six-month CDs closed around 5.25 per cent, and one-year at 6.30 per cent. Dealers reported that Malayan Banking issued about 10m ringgit of six-month and one-year CDs in the morning, while Citibank issued 3m ringgit. Other major banks also made issues. Bank Bumiputra traded 500,000 ringgit of one-month bankers' acceptances.

The Bank Negara sees the freer interest rate structure, together with recent reforms in bank liquidity and reserve requirements, and the introduction of Cd's and bankers acceptances as part of a package designed to create an "increasingly market-oriented (financial) system" in Malaysia. Bankers acceptances will provide companies with a short-term funding source additional to overdraft and revolving credit finance.

Only commercial banks will be allowed to issue Cd's—which must be for not less than 100,000 ringgit and not more than 1m ringgit (just under U.S.$500,000), per issue, and for maturities of between three months and three years.

Finance companies, merchant banks and discount houses, however, will be permitted to join the commercial banks initially in becoming "principal dealers" in CDs.

Some bankers feel that the Bank Negara's "wait and see how the market develops" approach towards designating official secondary market makers might deter corporate treasurers from investing heavily in CDs which they might not be able to liquidate quickly if a need for cash arose. Singapore, by contrast, brought in two leading U.S. securities houses to make a secondary market in CDs there.

Nevertheless once some of the big expatriate banks—such as the Hongkong and Shanghai and the Chartered Bank—here issue CDs for the benefit of their corporate customers, the big Malaysian Chinese and Bumiputra (indigenous Malay) banks will almost certainly have to follow suit.

Possibly as a sop for not being able to issue CDs, Malaysia's 12 merchant banks have been permitted, as from March 1, to accept fixed deposits from the corporate sector, although only of 1m ringgits and above, compared with the minimum 250,000 ringgits they wanted.

Harper Gilfillan back on growth path

BY WONG SULONG IN KUALA LUMPUR

HARPER GILFILLAN, the Malaysian-based South East Asian trading, engineering and shipping group, is back on the growth path after several years of depressed results.

Group profit before tax for last year amounted to 9.17m ringgit (U.S.$4.1m) for an increase of 26 per cent. The group's trading profits rose from 4.8m ringgit to 5.3m ringgit, while the share of profits from associated companies rose from 2.4m ringgit to 3.8m ringgit.

Hargill Malaysia, the engineering subsidiary, recorded further losses during the year, but these were at a much lower level.

Earnings from activities in Singapore and Hong Kong showed a steady improvement.

A final 15 per cent dividend is declared, making 20 per cent for the year, compared with 15 per cent in 1977.

Earnings surge at IDB Bankholding

By L. Daniel in Tel Aviv

THE IDB Bankholding Corporation has reported an increase of 68 per cent in its consolidated assets in 1978 to I£119.8bn ($5.7bn), and a similar gain in net income to I£628m ($30m), exclusive of extraordinary items.

The consolidated accounts cover four subsidiaries, including the Israel Discount Bank and the Discount Bank Investment Corporation, as well as the holding in Clal Investment Corporation, included for the first time.

The group accounts, through the Discount Bank and its banking subsidiaries, for 20 per cent of Israeli banking.

IDB Bankholding has already distributed an unchanged cash dividend of 15 per cent and a stock dividend of 33.3 per cent against 25 per cent for 1977.

Sharp gain at Frutarom

By Our Tel Aviv Correspondent

ELECTRO Chemical Industries (Frutarom) of Acre—one of Israel's leading petrochemical companies—finished 1978 with a net profit of I£36m ($1.7m), for an increase of 400 per cent on 1977, despite increases in the prices of energy and raw materials, and in spite of the fact that new facilities are waiting to go on stream.

Pending a yield from its recent investments, Frutarom will distribute I£36m nominal of bonus share—a rate of 15 per cent. Two-thirds of the company's capital was mobilised in the summer of 1977 so that this is the first dividend on the new shares.

Nomura seeks to expand in Europe

BY DONALD MACLEAN

NOMURA SECURITIES, the leading Japanese securities house, is looking to underwriting of share and convertible issues for immediate profits growth, against the background of the dull Japanese bond market.

The company, the main profit sources of which lie in stock market and investment trust business, does 80 per cent of its business in Japan, and 20 per cent abroad—with profits in Japan accounting for 90 per cent of the total—but it is following a policy of overseas expansion, Mr. Setsuya Tabuchi, the recently elected president, said in London.

In particular, the company would like to diversify further in Europe, not only in the underwriting of corporate issues, but also in brokerage and trading in Eurobonds.

Together with the other major Japanese securities houses, Nomura was badly hit in the financial year to March by the fall in the Japanese domestic bond market. Its operating profits rose 17.5 per cent to Y39.93bn ($186m), but net profits gained only 3.8 per cent to Y20.35bn, while revenues increased 2.8 per cent to Y105.66bn.

At the same time that Nomura is seeking expansion abroad, it supports the opening of the Tokyo financial markets to increased foreign operations.

The current moves in Japan towards greater Government management of the national bond market are seen as "advisable" by the company.

While the outlook for interest rates is "difficult" to predict — with the main factors identified as imported inflation and the level of equipment investment—rates are thought to be going "not much higher" in coming months.

Growth in the Japanese gross national product, said Mr. Tabuchi, was likely this financial year to be in the 5-6 per cent region—similar to that last year.

While the movements in the index could not be forecast accurately, the stock market had "been performing well," and the prospect was for a good year in the equity market. Behind this view lay various factors:

- The relatively low equity ratio of Japanese companies which attracted investors;
- Clear signs of a recovery in profits;
- The fact that the major companies had in the past invested heavily in equipment modernisation, and that the peak of depreciation on this was over, so that reported profits now would be the higher.

Mr. Setsuya Tabuchi, president of Nomura Securities

Nestle Australia raises payout to parent

BY JAMES FORTH IN SYDNEY

THE NESTLE Company (Australia) has more than doubled the dividend payment to its Swiss parent after a solid recovery in earnings in the year to December 31. The profit rose sharply from A$1.96m to A$6.62m (U.S.$7.03m), which the directors said was aided by a partial restoration of margins on some product lines.

Group sales rose by 6 per cent, from A$200m to A$212m (U.S.$233m). The result is still below the peak A$7.2m earned in 1976. However, the directors have decided to boost the dividend to the parent from A$3.71m to A$8.33m, the highest payment to date. Two dividends totalling A$4.3m have already been paid.

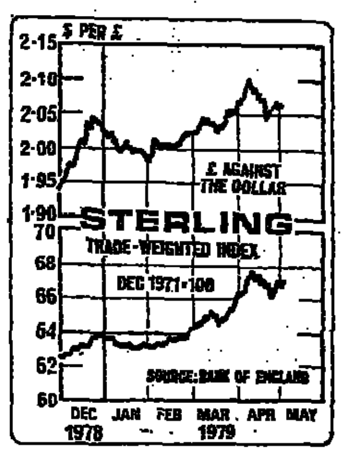
Mr. H. W. Marchant, the chairman and managing director of Nestle, said that the dividend was increased because retained earnings were at high levels. "We thought it timely for our Swiss parent to benefit from the improved results," he said.

Companies and Markets

CURRENCIES, MONEY and GOLD

Pound firmer

TRADING in yesterday's foreign exchange market remained fairly quiet with attention focussing mainly on sterling. Further demand notably from Europe may have prompted the Bank of England to intervene on a small scale to keep rates steady. On a trade weighted basis, the pound's index rose to 67.2 from 66.9, having stood at 67.2 at noon and 67.0 in the morning.



Against the dollar, sterling opened at $2.0585 and eased initially on dollar interest to $2.0555, its low point for the day. The rate soon recovered however to $2.0650 and demand from Europe pushed up the rate to $2.0700 where the authorities may have intervened, and by lunch the pound had fallen back to $2.0650. Further interest during the afternoon saw a high for the day of $2.0720 before a closing level of $2.0675-2.0685, a rise of 75 points.

The dollar showed an improvement against most currencies with sentiment still buoyed by higher interest rates in the U.S. Against the D-mark it finished at DM 1.9010 from DM 1.8945 and SwFr 1.7230 against SwFr 1.7165 in terms of the Swiss franc. The Japanese yen continued to decline following its weaker performance in Tokyo and the dollar rose to Y225.10 compared with Y224.20 on Tuesday. On Bank of England figures, the dollar's trade weighted index rose from 86.5 to 86.6.

The Irish punt eased against sterling to 97.07p from 97.60p but was unchanged against the dollar at $2.0075. In terms of EMS currencies the punt improved and was quoted at BFr 60.75 against BFr 60.55 in terms of the Belgian franc and FFr 8.7728 from FFr 8.7557 against the French franc. It rose to DM 3.8162 from DM 3.8042 against the D-mark, Fl 4.1380 from Fl 4.1324 against the guilder, L1,700.05 from L1,697.34 against the lira and DKr 10.6598 from DKr 10.6478 in terms of the Danish krone.

FRANKFURT—The dollar was fixed lower yesterday at DM 1.8995 against Monday's level of DM 1.9019 in relatively quiet trading. There did not appear to be any reaction to West German trade figures for March which were much in line with market expectations, and the subdued conditions tended to reflect a general lack of interest on the first day after the holiday.

TOKYO—The dollar continued to improve against the yen despite continued intervention estimated at around $300m by the Bank of Japan. It closed at Y224.65 compared with Tuesday's close of Y223.775. At one point it touched Y225.80, its best level since May 1978. The Bank's support operations saw the dollar retreat slightly during the morning before it steadied during the afternoon. Trading was generally very heavy with $1.091bn dealt in the spot market.

THE POUND SPOT AND FORWARD

May 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0555-2.0720	2.0675-2.0685	0.42-0.32c pm	2.15	0.77-0.67 pm	1.39
Canada	2.3450-2.3620	2.3600-2.3610	0.25-0.15c pm	1.02	0.50-0.40 pm	0.76
Nethlnd.	4.24½-4.28	4.26-4.27	2¼-1¼c pm	4.92	5¼-4¼ pm	4.45
Belgium	62.25-62.65	62.50-62.60	25-15c pm	3.84	67-57 pm	3.96
Denmark	10.95½-11.00½	10.97½-10.98½	3¼-1¼ore pm	3.00	5¼-3¼ pm	1.55
Ireland	1.0220-1.0310	1.0293-1.0303	0.17-0.27p dis	-2.56	0.75-0.85dis	-3.11
W. Ger.	3.91½-3.94½	3.93-3.94	2½-1½pf pm	7.26	7½-6½ pm	6.73
Portugal	101.00-101.65	101.30-101.60	50-110c dis	-9.45	145-345 dis	-7.49
Spain	136.00-136.65	136.50-136.60	50c pm-par	2.20	30pm-70dis	-0.59
Italy	1,748-1,753	1,750½-1,751½	2 lire pm-par	0.69	1½pm-½ dis	0.11
Norway	10.65-10.70	10.67½-10.68½	4½-2½ore pm	3.69	6-8 pm	2.62
France	9.01-9.05	9.03½-9.04½	3½-2½c pm	3.65	8½-7½ pm	3.55
Sweden	9.06½-9.10½	9.08½-9.09½	2½-1½ore pm	1.98	5¼-3½ pm	1.96
Japan	462-469	465-466	3.10-2.70y pm	7.49	8.10-7.80 pm	6.75
Austria	28.20-28.53	28.85-28.91	18-8gro pm	5.40	50-40 pm	5.71
Switz.	3.54½-3.57½	3.56-3.57	3½-2½c pm	10.10	9½-8½ pm	10.24

Belgium rate is for convertible francs. Financial franc 63.75-63.85. Six-month forward dollar 1.12-1.02c pm; 12-month 1.95-1.85c pm.

Close for Denmark on May 1 should have read 10.92¾-10.93¾.

THE DOLLAR SPOT AND FORWARD

May 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0555-2.0720	2.0675-2.0685	0.42-0.32c pm	2.15	1.12-1.02 pm	2.07
Ireland†	2.0095-2.0095	2.0065-2.0080	0.80-0.65c pm	4.37	2.03-1.83 pm	3.85
Canada	87.57-87.67	87.57-87.60	0.11-0.08c pm	1.37	0.16-0.12 pm	0.64
Nethlnd.	2.0560-2.0628	2.0590-2.0610	0.55-0.45c pm	2.91	1.65-1.55 pm	3.10
Belgium	30.23-30.28	30.24½-30.25	7½-5c pm	2.47	20-16 pm	2.61
Denmark	5.3090-5.3110	5.3095-5.3100	0.75-0.25ore pm	1.12	0.50-par	0.18
W. Ger.	1.8950-1.9025	1.9005-1.9015	0.84-0.74pf pm	4.96	2.57-2.47 pm	5.30
Portugal	48.97-49.08	49.02-49.08	33-43c dis	-9.30	90-140 dis	-9.37
Spain	66.03-66.08	66.03-66.08	5c pm-5c dis	—	12-22 dis	-1.02
Italy	846.55-847.10	846.90-847.10	0.70-1.10 lire dis	-1.27	2.40-2.90dis	-1.25
Norway	5.1625-5.1705	5.1635-5.1645	0.95-0.45ore pm	1.62	2.00-1.50 pm	1.35
France	4.3695-4.3720	4.3695-4.3720	0.57-0.47c pm	1.41	2.45-2.25 pm	2.15
Sweden	4.3940-4.3995	4.3940-4.3960	0.30-0.10ore pm	0.54	1.00-0.80 pm	0.81
Japan	222.00-225.70	225.00-225.20	1.05-0.95y pm	5.33	3.05-2.95 pm	5.33
Austria	13.863-13.976	13.871-13.876	5.80-5.30gro pm	4.72	17-17 pm	5.06
Switz.	1.7212-1.7235	1.7225-1.7235	1.35-1.25c pm	9.05	4.05-3.95 pm	9.29

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

May 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.616587	Unavail
U.S. $	9½	1.27631	"
Canadian $	11¼	1.45462	"
Austria Sch.	3¾	Unavail	"
Belgian F	6	"	"
Danish K.	8	6.75756	"
D mark	4	Unavail	"
Guilder	6½	2.62381	"
French Fr.	9½	Unavail	"
Lira	10½	"	"
Yen	3½	283.671	"
Nrwgn. K.	7	Unavail	"
Spanish Pes.	8	"	"
Swedish Kr.	6½	"	"
Swiss Fr.	1	"	"

CURRENCY MOVEMENTS

May 2	Bank of England Index	Morgan Guaranty changes %
Sterling	67.2	-37.5
U.S. dollar	86.6	-7.5
Canadian dollar	83.3	-14.6
Austrian schilling	146.5	+18.8
Belgian franc	113.5	+15.6
Danish kroner	116.6	+5.6
Deutsche Mark	149.5	+41.3
Swiss franc	193.8	+80.3
Guilder	124.1	+19.6
French franc	99.0	-6.7
Lira	54.6	-48.8
Yen	129.7	+27.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

May 2	£	$		Note Rates
Argentina Peso	2493-2513	1205-1215	Austria	28-29
Australia Dollar	1.8790-1.8850	0.9085-0.9105	Belgium	63-64
Brazil Cruzeiro	49.58-49.58	23.50-24.00	Denmark	10.85-10.98
Finland Markka	8.30½-8.31½	4.0180-4.0200	France	8.92-9.02
Greek Drachma	75.85-77.85	36.75-37.65	Germany	3.85-3.95
Hong Kong Dollar	10.43½-10.47	5.0700-5.0800	Italy	1,735-1,765
Iran Rial	149.95-156.15	72-75½	Japan	455-465
Kuwait Dinar (KD)	0.572-0.582	0.2795-0.2796	Netherlands	4.20-4.27
Luxembourg Fr.	62.10-62.20	30.24-30.26	Norway	10.50-10.68
Malaysia Dollar	4.6145-4.6245	2.2310-2.2330	Portugal	95-101
New Zealand Dlr.	1.9805-1.9865	0.9575-0.9605	Spain	135-139
Saudi Arab. Riyal	6.92-7.02	3.3795-3.3805	Switzerland	3.50-3.57
Singapore Dollar	4.5715-4.5810	2.2120-2.2150	United States	2.0550-2.0650
Sth. African Rand	1.75-1.76	0.8460-0.8510	Yugoslavia	41-43½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.2500	+2.01	+1.30	±1.53
Danish Krone	7.08592	7.07536	-0.14	-0.87	±1.635
German D-mark	2.51064	2.52832	+0.71	+0.10	±1.1325
French Franc	5.79831	5.81553	+0.30	-0.33	±1.35
Dutch Guilder	2.72077	2.74470	+0.88	+0.35	±1.5075
Irish Punt	0.662638	0.662802	+0.02	-0.50	±1.665
Italian Lira	1148.15	1127.77	-1.78	-1.78	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

May 2	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.068	3.935	465.5	9.040	3.565	4.265	1751.	2.361	62.55
U.S. Dollar	0.484	1.	1.903	225.1	4.371	1.724	2.062	846.8	1.141	30.25
Deutschemark	0.254	0.526	1.	118.3	2.297	0.906	1.084	445.0	0.600	15.90
Japanese Yen 1,000	2.148	4.445	8.453	1000.	19.42	7.658	9.162	3726.	5.071	134.4
French Franc 10	1.106	2.288	4.353	514.9	10.	3.944	4.718	1937.	2.611	69.19
Swiss Franc	0.281	0.580	1.104	130.6	2.536	1.	1.196	491.2	0.662	17.55
Dutch Guilder	0.234	0.485	0.923	109.1	2.120	0.836	1.	410.6	0.553	14.67
Italian Lira 1,000	0.571	1.181	2.247	265.8	5.163	2.036	2.435	1000.	1.348	35.72
Canadian Dollar	0.424	0.876	1.667	197.2	3.830	1.510	1.807	741.9	1.	26.50
Belgian Franc 100	1.599	3.306	6.291	744.2	14.45	5.699	6.819	2800.	3.774	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.55 per cent; three months 10.60-10.70 per cent; six months 10.80-11.00 per cent; one year 10.80-10.90 per cent.

May 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12⅛-12⅜	10⅛-10⅜	9½-10½	6⅞-7⅛	⅞-1	4⅞-5	10-12	9-10	—	2 1/16-4⅜
7 day's notice	12¼-12⅝	10¼-10½	9½-10½	6⅞-7⅛	1-1⅛	4 11/16-5 1/16	10-12	10-11	10⅜-10½	3 11/16-5
Month	11⅞-12¼	9 15/16-10 1/16	10¾-11⅛	7⅛-7⅜	1 1/16-1 3/16	5⅛-5 5/16	8½-8¾	11-12	10½-10⅝	4 13/16-5 1/16
Three months	12-12⅜	10½-10¾	10⅞-11¼	7¼-7 7/16	1 1/16-1 3/16	5 5/16-5½	8½-8¾	11½-12½	10¾-10⅞	5 5/16-5⅝
Six months	12 5/16-12 9/16	10⅞-11⅛	10 15/16-11 3/16	7¾-8	2⅛-2½	5⅞-6	8⅞-9⅛	12-13	11⅛-11¼	5⅝-5 15/16
One year	11 13/16-12 3/16	10¾-11	10½-10⅞	8-8¼	2⅜-2¾	6 1/16-6⅜	9⅜-9⅝	12½-13½	10 15/16-11 1/16	6 1/16-6 7/16

Long-term Eurodollar deposits: Two years 10¾-10⅞ per cent; three years 10¾-10⅞ per cent; four years 10-10⅛ per cent; five years 10-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian Bank Rate 7%

The Belgian National Bank has raised its Bank Rate to 7 per cent from 6 per cent, and abolished the two tier system in its lending to commercial banks. Under this system banks were allowed to discount bills at a favourable "A" quota rate of 6 per cent, but one quarter of any bank's bills had to be discounted at a penal rate 7 per cent, known as the "B" quota. The quota system was introduced last October, with "B" quotas at the same level as the Lombard Rate, which was then increased to 8½ per cent from 6 per cent.

Since then central bank rates have been steadily reduced, ending in a cut of ½ per cent to 7 per cent in the Lombard and "B" quota rates on March 7.

Bank Rate, which was the "A" quota rate was unchanged throughout this period, with Bank Rate steady at 6 per cent since last July.

Lombard Rate, the rate for normal advances, has been left at 7 per cent, thus bringing Bank Rate and the Lombard Rate into line with each other. With the ending of the two-tier system all bills will also be discount at 7 per cent.

Weakness of the Belgian franc in the European Currency System, particularly against the Danish krone, had led to speculation that an upward move in Belgian interest rates was likely. Danish interest rates are much higher than Belgium's, although Denmark's inflation rate is correspondingly higher. At yesterday's foreign exchange fixing in *Brussels the krone fell* to BFr 5.6875 from BFr 5.6935 previously, and compared with a ceiling for the Danish currency of BFr 5.6950.

Last week, Societe General, Belgium's largest bank, forecast healthy economic growth this year, and said that an excessive tightening of interest rates could probably be avoided.

PARIS — Day-to-day money rose to 7 per cent from 6¾ per cent, while period rates were unchanged at 6 13/16-6 15/16 per cent for one-month; 7-7⅛ per cent for three-month; 7¼-7⅜ per cent for six-month; and 7 11/16-7 13/16 per cent for 12-month.

FRANKFURT — Interest rates were firmer, with call at 5.20-5.30 per cent, against 5.10-5.30 per cent; one-month at 5.40-5.50 per cent compared with 5.30-5.50 per cent; three-month at 5.70-5.75 per cent compared with 5.50-5.70 per cent; six-month at 6.10-6.20 per cent compared with 5.80-6.00 per cent; and 12-month at 6.45-6.55 per cent against 6.00-6.20 per cent.

GOLD

Little change

Gold showed very little movement in the London bullion market yesterday and edged up just $½ an ounce to close at $246½-247¼. The metal traded in a fairly narrow range after opening at $246¾-247½. There appeared to be some caution in the market with business remaining subdued ahead of the IMF auction held yesterday afternoon in Washington.

	May 2	May 1
Gold Bullion (fine ounce)		
Close	$246½-247¼ (£119.2-119.6)	$246-246¾ (£118.4-119.8)
Opening	$246¾-247½ (£119.2-119.6)	$246¼-247 (£118.4-119.8)
Morning fixing	$246.60 (£119.246)	$247.70 (£120.010)
Afternoon fixing	$246.30 (£118.957)	$248.30 (£120.194)
Gold Coins, domestically		
Krugerrand	$257-261 (£124½-126½)	$257½-261½ (£125-127)
New Sovereigns	$67½-69½ (£32¾-33¾)	$68-70 (£33-34)
Old Sovereigns	$77½-79½ (£37½-38½)	$76-78 (£37¼-38¼)
Gold Coins, internationally		
Krugerrand	$253½-255½ (£122½-123½)	$254½-256½ (£123½-124½)
New Sovereigns	$63½-65½ (£30¾-31¾)	$63½-65½ (£30¾-31¾)
Old Sovereigns	$83¼-85¼ (£40¼-41¼)	$82½-84½ (£40-41)
$20 Eagles	$356-360	$352½-357½
$10 Eagles	$192½-197½	$192-197
$5 Eagles	$132½-137½	$132-137

In Paris gold continued to improve and the 12½ kilo bar was fixed during the afternoon at a record high of Fr 35,200 per kilo ($250.61 per ounce) compared with Fr 35,075 ($249.64) in the morning and Fr 34,920 ($248.97) on Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 15,070 per kilo ($246.64 per ounce) against DM 14,910 ($243.89) previously.

UK MONEY MARKET

Very large help

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance, by buying a moderate amount of Treasury bills and a small number of local authority bills, some of which were for resale to the market at a fixed future date.

The Bank of England also lent a large amount, to four or five discount houses, overnight at Minimum Lending Rate of 12 per cent.

The main factor against the market was the final call on 12¼ per cent Exchequer 1999, and there was also the repayment of the small amount borrowed on Tuesday, and a net take-up of Treasury bills to finance.

On the other hand banks brought forward small surplus balances, Government disbursements were slightly in excess of Revenue payments to the Exchequer, and there was a small decrease in the note circulation.

Discount houses paid around 12 per cent for secured call loans in the morning, and rates may have touched 12½ per cent in places, before closing at 10-11¼ per cent.

In the interbank market overnight loans opened at 12¼-12½ per cent, and remained at that level for most of the day, but fell sharply to 5-6 per cent at the close.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

May 2 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	5-12½	—	—	—	12¾	10-12	—	—	—
2 days notice	—	—	12⅛-12½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¼-12⅜	12¼-12½	—	12½	12½	11⅞-12	—	—	—
One month	12⅛-11 15/16	12 7/16-12⅝	12⅛-12¼	12⅜-12⅛	12½	12½	11⅝-11¾	[illegible]	[illegible]	12⅝
Two months	11¾-11⅝	11⅞-12 1/16	—	11⅝-11¼	12⅝	—	11⅛	[illegible]	11¾	12⅜
Three months	11⅛-11	11⅝-11 13/16	11¾-11 15/16	11¼	12⅛	12⅛	11¼	[illegible]	11⅝	11⅞
Six months	11 1/16-11	11¼-11⅜	11⅝-11¾	11⅛-10¾	11⅞	—	—	—	11⅝-11 [illegible]	11⅞
Nine months	11-10 15/16	11 1/16-11¼	—	11¼-11	11⅝	—	—	—	—	—
One year	10⅞-10 15/16	11-11 1/16	11⅛-11 5/16	11⅛-10⅞	11½	—	—	—	—	—
Two years	—	—	11½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years, 11⅝-11¾ per cent; four years 11¾-11 13/16 per cent; five years 11⅞-12 per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 11⅜ per cent; four-month trade bills 11⅞ per cent.

Approximate selling rates for one-month Treasury Bills 11 7/32 per cent; two-month 11 5/16 per cent; three-month 11⅛ per cent. Approximate selling rate for one-month bank bills 11 27/32-11 15/16 per cent; two-month 11⅝ per cent; and three-month 11¼ per cent; one-month trade bills 12½ per cent; two-month 12½ per cent; and three-month 11¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from May 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.2863 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.25-11.75
Fed Funds	10.375
Treasury Bills (13-week)	9.59
Treasury Bills (26-week)	9.62

GERMANY

Discount Rate	4
Overnight Rate	5.25
One month	5.45
Three months	5.725
Six months	6.15

FRANCE

Discount Rate	9.5
Overnight Rate	7
One month	6.875
Three months	7.0625
Six months	7.3125

JAPAN

Discount Rate	4.25
Call (Unconditional)	5.9625
Bills Discount (three month)	5.925

WORLD STOCK MARKETS

Wall St. slightly easier at mid-session

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—60¾% (59¾%)
Effective $2.0680—37⅞% (36⅛%)

AFTER STARTING on a slightly firmer note, Wall Street slipped a little to post a small net decline at mid-session yesterday following a fairly active trade.

The Dow Jones Industrial Average was 1.65 easier at 853.86 at 1 pm, while the NYSE All Common Index shed 11 cents to $57.23 and declines narrowly led rising issues by a six-to-five margin. Trading volume amounted to 20.37m shares, compared with Tuesday's 1 pm level of 21.20m.

Closing prices and market reports were not available for this edition.

Analysts said recent economic indicators have produced confusion about whether the economy is picking up speed or slowing down, leaving investors with no concensus on the outlook for share prices.

In additon, they said, investors continue to worry about rising interest rates. The Federal Reserve tightened credit slightly last Friday and a number of banks have raised their broker loan rates this week.

Caution was also developing ahead of today's report on April wholesale prices.

Active Occidental Petroleum shed $⅛ to $19⅜. The company announced that the Securities and Exchange Commission has been investigating recent company filings to the SEC.

Drug stocks weakened. Squibb topped the actives list and fell $1⅞ to $31¼. Warner Lambert lost $⅜ to $22⅝ and Eli Lilly $⅜ to $54.

F. W. Woolworth eased $⅛ to $25¼. Brascan has obtained a temporary Court order preventing Edper Equities from completing the purchase of nearly 7m Brascan shares that it contracted to acquire in a series of block trades on Monday and Tuesday. Edper is opposing Brascan's efforts to acquire Woolworth for $35 a share. Brascan did not trade yesterday morning.

Gearhart-Owen Industries retreated $4½ to $38⅛.

Commonwealth Edison declined ⅛ to $23⅞. The Nuclear Regulatory Commission said an accident at one of the utility's nuclear generators has spilled radioactive water within the plant.

THE AMERICAN SE Market Value Index managed to improve 0.13 to 184.32 at 1 pm on volume of 2.27m shares (6.10m).

Active Tubos de Acero rose 2⅜ to $40⅛, Teradyne $1 to $21⅞, Blount 1⅛ to $25⅞ and Voplex 1⅛ to $13⅛.

Syntex moved lower with the Drug stocks on the New York exchange, losing $1 to $36.

Husky Oil fell 2 to $49⅛ after reporting only a modest rise in first-quarter profits.

Canada

Markets remained in firm vein yesterday morning in fairly busy trading. The Toronto Composite Index was 2.6 higher at 1,489.8 at noon, while Golds moved ahead 13.9 to 1,654.4, Metals and Minerals 8.0 to 1,265.4, Banks 0.48 to 311.09 and Utilities 0.49 to 225.41.

Alberta Energy hardened ⅛ to C$23⅞, as did Interprovincial Steel to C$21 and Trans Mountain Pipe "A" to C$11⅛. All three reported higher earnings.

Brascan "A" remained halted on the exchange.

Inter-City Gas, the most active Toronto issue on 164,295 shares, rose ⅛ to C$11⅛.

Tokyo

Despite an announcement of tighter margin trading curbs, the market staged a fresh advance in a very large turnover as investors concentrated their buying on low-priced speculative stocks.

The Nikkei-Dow Jones Average closed 40.68 higher at a new record peak of 6,277.60 and the Tokyo SE index gained 1.48 more to 454.64. Volume reached 850m shares (640m).

The Tokyo Stock Exchange announced late on Tuesday that the ratio of margin requirement will be raised to 60 per cent from 50 per cent.

However, the restriction on margin trading, which has been increasing sharply, didn't have a strong impact on the market, brokers said.

Shippings continued to be selected, reflecting the recovering shipping market, while such Shipbuilding stocks as Mitsui Engineering and Shipbuilding and Mitsubishi Heavy Industries were also favoured.

Low-priced resources-related shares, large-capital issues and Non-ferrous Metals were among other preferred groups.

Nippon Yusen Kaisha rose Y30 to Y289, Heiwa Real Estate Y30 to Y713, Fuji Spinning Y11 to Y134, Toho Zinc Y14 to Y151, Hitachi Y5 to Y259, Mitsui Engineering and Shipbuilding Y7 to Y173 and Toray Y6 to Y169.

However, export-orientated stocks were inclined to relinquish some ground despite a further fall in the yen against the dollar on the Tokyo foreign exchange market. Sony, up Y60 on Tuesday, receded Y70 to Y2,170, while Pioneer Electronic declined Y30 to Y2,350 and Matsushita Industrial Y6 to Y745.

Germany

An easier tendency prevailed yesterday in rather quiet trading, leaving the Commerzbank index 2.2 down at 782.6.

Chemicals, however, continued to meet support, with Hoechst hardening 70 pfennigs to DM 137.90 on improved 1978 results. Schering added DM 1.30 and Bayer 40 pfennigs.

Stores made the poorest showing, Horten losing DM 4, Kaufhof DM 3, Neckermann DM 2 and Karstadt DM 2.30.

Deutsche Bank shed DM 1.40, Bayerische Hypo Bank DM 4.50 and Bayerische Vereinsbank DM 2.20.

BMW and Daimler declined DM 1.50 apiece, while among Engineerings, GHH retreated DM 1.50 and Mannesmann DM 1.

Public Authority Bonds were marked down by up to 90 pfennigs, while the Bundesbank bought DM 20.4m nominal of paper after purchases of DM 10.2m last Monday. Mark Foreign Loans, however, were steady.

Paris

Bourse prices finished on an irregular note with mainly small movements either way after an idle trading session.

Portfolios, Motors, Hotels, Oils and Chemicals were firmer-inclined, but most Banks were easier, while there was no clear trend among Foods, Constructions, Stores, Electricals, Metals and Textiles.

Among the brighter spots, Thomson Brandt advanced FFr 4.8 to FFr 231.8 and Imetal FFr 3.5 to FFr 75.0, while Dollfus-Mieg moved ahead 11 per cent.

Cofimeg, Mumm, Poclain, Ferodo, PLM, Legrand, Prenatal, Pompey, Sogerap and Bellon were also favoured, but CIC, Pricel, Sias, Screg, BHV, LMT, Chiers, Sommer and Europe 1 were among declining issues.

Australia

Markets continued to show a firming tendency in fairly active trading yesterday, but some of the lenders shed a little ground. The Sydney All Ordinaries index gained 1.94 more to 584.81.

Banks were mainly little changed, but ANZ again featured strongly, advancing 16 cents more to A$4.48 for a two-day rise of 28 cents on expectations of good interim figures being announced shortly.

Pioneer Sugar put on 4 cents to A$1.42 on the domestic sugar price rise, but CSR, after recent firmness, lost 2 cents to A$3.70.

Coal shares mainly held steady after Tuesday's upsurge on the bullish OECD forecast for Australian coal exports, although Utah moved ahead a further 15 cents to A$3.75.

BH South improved 3 cents to A$1.43 in response to a new base metal find in New South Wales, while MIM, awaiting the nine-months' report, climbed 10 cents to A$3.33.

Elsewhere in Minings, Hamersley rose 10 cents to A$2.70 and CRA 4 cents to A$3.72.

Amsterdam

Mixed movements were recorded after light dealings. However, brokers noted a firm undertone, adding that the market did not "react at all" to year-end remarks by Central Bank president Jelle Zijlstra, who described the Netherlands economy as beset with "fundamental" problems, such as a record Government deficit and a loss of international competitiveness.

Van Ommeren rose Fl 3, while RSV, which is seeking further State aid, gained Fl 2.40.

Shares showing gains of between Fl 1 and Fl 2 included Amev, Middenstandsbank and Bols.

Weaker issues were led by Nedlloyd and Heineken, which lost Fl 1.60 and Fl 1.90 respectively.

State Loans edged ahead.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
Φ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

Indices

NEW YORK —DOW JONES

	May 1	Apr. 30	April 27	Apr. 26	Apr. 25	Apr. 24	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	855.51	854.90	858.84	860.97	867.46	866.88	876.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.62	85.59	85.69	84.01	84.14	84.24	85.90 (2/2)	83.56 (30/4)	—	—
Transport.	228.56	228.06	230.86	231.84	232.81	232.62	259.25 (10/4)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	100.81	100.98	101.18	101.76	102.20	102.27	104.84 (6/4)	98.10 (2/1)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	31,150	26,580	29,870	32,520	31,780	35,670	—	—	—	—

◆ Day's high 861.40 low 850.83

	Apr. 27	Apr. 20	Apr. 12	Year ago (approx)
Ind. div. yield %	5.78	5.78	5.68	5.58

STANDARD AND POORS

	May 1	Apr. 30	April 27	Apr. 26	Apr. 25	Apr. 24	1979 High	1979 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	113.75	113.85	113.82	114.05	114.57	114.15	116.69 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
¢Composite	101.68	101.76	101.80	102.01	102.58	102.20	103.34 (10/4)	96.13 (27.2)	125.85 (11/1/6)	4.40 (1/6/32)

	April 25	Apr. 18	April 11	Year ago (approx)
Ind. div. yield %	5.06	5.10	5.08	5.02
Ind. P/E Ratio	8.71	8.60	8.67	9.18
Long Gov. Bond Yield	9.11	9.04	9.06	8.39

N.Y.S.E. ALL COMMON

May 1	Apr. 30	Apr. 27	Apr. 26	1979 High	1979 Low
57.34	57.36	57.40	57.52	58.18 (10/4)	53.88 (27/3)

Rises and Falls

	May 1	April 30	Apr. 27
Issues Traded	1,888	1,894	1,916
Rises	729	610	835
Falls	702	783	594
Unchanged	457	501	488
New Highs	39	37	56
New Lows	53	56	51

MONTREAL

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	13 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½ %
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12 %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12 %
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½ %
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	14 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½ %
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10% and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

NEW YORK

CANADA

EUROPEAN OPTIONS EXCHANGE

GERMANY ◆

TOKYO ¶

AUSTRALIA

STOCKHOLM

OSLO

JOHANNESBURG

AMSTERDAM

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND Φ

COPENHAGEN ♣

MILAN

VIENNA

BRAZIL

SPAIN ♥

Financial Rand U.S.$0.77½ (Discount of 34.5%)

FINANCIAL TIMES SURVEY

Thursday May 3 1979

FOUNDRIES

Further rationalisation by mergers and closures in the next few years can be expected to alter the shape of the hard-pressed foundry industry in Britain. But foundries can also look forward to making significant advances through new techniques and the securing of wider markets against competition from other materials and processes.

Period of great change

By Roy Hodson

THE CASTING process is still the quickest way to make products out of raw metal. Usually it is the cheapest way, as well.

During three years of recession those qualities have done *little to comfort the foundries* which have been woefully short of business. But they are factors which together will provide a sheet anchor for the industry during a period of great change that the foundries are now entering.

During the next few years, rationalisation by mergers and closures can be expected to alter the shape of the industry in Britain. Meanwhile, the relationships between the various metals used in founding can be expected to alter profoundly. Old markets will be lost and new markets will be won as industrial designers ring the changes on the uses of the main casting metals—iron in its various forms, steel, non ferrous metals, and aluminium.

Mr. Brian Cave, director of the Foundry Industry Training Committee, forecasts a decline in the labour force of British foundries from the present level of about 123,000 to around 100,000 by 1984. Foundries are now closing at a rate of one a week and any company working at more than four-fifths of its available capacity is considered to be doing well.

"Rationalisation with dignity" is the phrase chosen by Mr. Jim Mundell, chairman of the British Metal Castings Council, to describe his recipe for the industry's future strategy. According to Mr. Mundell the process of rationalisation will mean that in three or four years time some 80 per cent of the present foundry capacity will be fulfilled by only half the present number of foundries.

It is difficult to identify exactly how many foundries there are in Britain as a number of them work in more than one of the metal categories. In addition, some hundreds of plants primarily concerned with other activities contain foundries and pattern shops.

Most sources agree, however, that the number of British foundries in all the metal sectors is of the order of 1,400. There are between 650 and 680 iron foundries, 75 steel foundries, smaller numbers of non-ferrous and aluminium foundries and a great many foundries straddling various activities.

Decline

The iron foundries have suffered most during the last ten years. Their numbers have been almost halved. So continuous and relentless is the process of contraction that the industry is itself having difficulty in assessing exactly how many iron foundries have closed during the last year.

The smaller and more specialised steel foundries section has suffered also because of shortage of work. But it has not suffered a major and fundamental contraction on the same scale as the iron foundries.

In the non-ferrous sector fortunes have been mixed. The aluminium foundries are generally speaking, in the strongest position at present because of *growing use of the metal in* automobile components and other manufacturing. But even they are suffering badly from over-capacity in their industry.

The Light Metal Founders' Association, speaking for the aluminium foundry industry, is now campaigning against the BL plan to build a new aluminium foundry at Leeds at a cost of £25m to produce "in-house" castings for future generations of BL engines. The aluminium foundries maintain that there is ample spare capacity among Britain's existing aluminium foundries to handle the business.

The Government recognised the difficulties being faced by the foundries by introducing the foundry aid schemes which are designed to put all sectors of the foundry industry on to a more stable footing by 1980. Unfortunately, time has not been on the side of the schemes. They were intended to help the industry to modernise and re-equip to be ready to take advantage of an upturn in trade. Instead, demand for almost all foundry products has remained in the doldrums.

It is now likely that a number of the foundry investments which have been promised Government support under the aid schemes will either be cancelled by the companies concerned or shelved to await better times.

Under the foundry aid schemes, £80m was set aside to help the ferrous foundries and £20m to help the non-ferrous foundries.

Most of the money has been allocated, although the schemes continue in being until the middle of next year. The ferrous foundries have been promised £75.5m towards investment projects which would cost the industry nearly £350m. The non-ferrous foundries have been promised £14.1m towards schemes worth nearly £70m.

But it is now clear that a number of the investment projects will not go ahead. The Department of Industry may be able to re-allocate some of the *money not taken up by companies.*

Critics

However, there is a growing body of opinion in the foundry industry that the aid schemes are not the right way ahead for the industry. Critics argue that the aid schemes, by encouraging modernisation and re-equipment and some expansion of foundry capacity, could *cause an over-large foundry* industry to remain in existence destined to operate at levels of working far below its actual capacity to produce.

In the opinion of a number of foundrymen what the industry *now needs is fresh Government* encouragement to rationalise, to cut back heavily upon under-used or unused capacity and to concentrate upon getting the best out of a smaller but better equipped industry.

British foundries are suffering in an acute form a trend which has hit foundries throughout Europe. Production of iron castings in Europe has actually fallen from 13m tonnes a year to 12.7m tonnes a year since 1965. In Britain, iron castings production has fallen from 4.1m tonnes a year to 2.7m tonnes a year during the same period, according to Mr. Derek Farrant, director of the Council of Ironfoundry Associations.

Meanwhile, the members of the Steel Castings Research and Trade Association are said by Dr. J. A. Reynolds, their director to be working at their lowest level in the post-war years. In tonnage terms about 80 per cent of the metal cast in Britain now is iron, about 10 per cent is steel, and the remaining 10 per cent is non-ferrous.

The most crucial development within the aluminium foundry industry in recent years has *been the growing potential for* aluminium in automobile construction. Aluminium is only half the weight of iron or steel and is proving to be the natural route forward for car designers anxious to save weight and *improve fuel consumption.*

French, Italian, and Japanese car companies pioneered the large-scale use of aluminium in mass-produced engines. In Britain, BL is now giving notice of moving the same way by its Leeds foundry investment plan. Ford also has plumped for the virtues of aluminium and intends to fit an aluminium cylinder head to the car code-named the Erica which is to replace the Escort.

Results

As the Erica engine is to be made in South Wales, and the turnover for the aluminium cylinder heads is unofficially estimated to be likely to reach £20m a year, the British aluminium foundries are certain to benefit to some extent from the new business. But indications are now that a proportion of the business will be going to Continental aluminium foundries which have been investing heavily in recent years in anticipation of new automobile contracts.

One of the leading European aluminium foundry groups, Honsel, has built up business *worth £750,000 a year in the* British market within a very short time and is now supplying castings to both Ford and Vauxhall.

The European aluminium foundries are taking the British *market very seriously judging* by this company and by the efforts being made to sell in Britain by the two Renault foundry subsidiaries.

Rationalisation of the British foundry industry must remain as the most important single factor likely to influence the industry's future. But foundries can also look forward to making significant advances through new techniques and the securing of new markets against the competition of other materials and processes.

The best foundries are devoting considerable resources to new production methods which enable castings to compete on price and performance against frogings and fabrications.

The result is that there is a growing division between the specialist foundries as suppliers of components able to compete on merit, and the traditional foundries which are used to dealing with volume orders at competitive prices often are unwiling to innovate.

The foundry industry as it is composed in Britain today is so widely diversified ini ts activities—ranging from cast-iron bath-tubs to jet engine blades—*that it is really a conglomera*tion of industries lumped together. There is an exciting futrue for those companies with superior technology. But many more foundries in the middle-ground of the industry will have *to be closed or merged before* the industry is brought into good trim to face the future.

Iron founders more cautious

BECAUSE OF the continuing depression in demand for iron castings, the founders are showing increasing caution towards new capital investment plans aided by the Government schemes.

To take advantage of the schemes—and the Government has so far pledged £75.5m to generate new projects costing a total of nearly £350m—the investments must be completed by mid-1980, under the present rules.

It is becoming clear that a number of companies will intentionally not meet that deadline. Unless the rules are re-cast for the Government aid schemes, and the time limits extended, the promises of aid to individual companies not taken up by the dead-line will automatically lapse.

Companies are arguing that there is no point in investing in new capacity in an industry already bedevilled by surplus capacity and with no real expectation of an early upturn in demand.

During recent discussions about the problem in the foundries economic development committee (the "little neddy"), concern was expressed that the biggest foundry improvement schemes are, unfortunately, the ones that are being hit worst by the new reluctance to invest.

Thus, the industry is not being strengthened by large and internationally competitive new units to the extent that is needed. While smaller and less viable plants are continuing in business.

Iron castings are used so universally throughout industry that only a general upturn in industrial production can help the iron founding industry out of its prolonged state of recession. The home markets for automobile and tractor and industrial vehicle castings remain particularly weak and that aspect is probably the single biggest cause for concern among the iron founders.

The only foundries reporting good business arising from automobile industry activity are those specialist foundry companies which are making sophisticated castings for car and truck production lines. They are benefiting from new investment in British car plants. John Borland, group sales director of one such company, Cronite, said his company's tonnage of high quality castings is being maintained because of demand for industrial heat treatment furnaces together with active aerospace business.

Lake and Elliot with plants at Braintree, Essex, and in Scotland, is another foundry company which has concentrated upon the upper end of the castings market and has found that policy an excellent recipe for weathering the recession. The group has spent £4m developing the Braintree plant.

"In spite of the recession," says Mr. Tim Lake, chief executive, "We have managed to retain our levels of business, so effectively increasing our market share in a shrinking overall castings market."

Generally speaking, however, inflation and poor demand are combining to hit iron founders hard. Mr. Derek Farrant, director of the Council of Ironfoundry Associations, says prices of basic foundry raw materials have been rising at a much higher rate than castings prices. Thus, founders' profit margins have sunk to a dangerously low level.

In the first two months of 1979, iron founders had to face a 10 per cent increase in the cost of pig iron, a 9 per cent increase in the cost of coke, and a 9 per cent increase in the cost of sand. Meanwhile, the price of ferrous scrap—which fell dramatically during the world steel recession—has been climbing sharply to pre-recession levels and in the first months of this year has risen by more than 30 per cent.

The clear message from Mr. Farrant is that the price of iron castings will have to rise this year. But the founders also know they are in a price sensitive market which could easily result in demand for castings falling to even lower levels than the poor business they have been experiencing in recent years.

The iron foundry industry is looking anxiously towards the automobile industry for signs of better business. There is a feeling that now that foreign car imports have taken half the British home market the worst may be over for suppliers to the British automobile industry. Demand for castings should not fall much below the present levels. And there can be reasonable expectations that demand should rise as the new British car and engine production lines come on stream.

A more complex matter for the foundry industry to forecast is the likely trend in the British automobile industry in the use of castings and forgings in the various materials available. The foundry industry is now banking upon iron engine cylinder blocks being retained by most of the mass car producers for the next ten years. But they expect to lose heavily to aluminium in the cylinder head market as new engine designs are introduced. Britain will be simply marching in step with current world trends towards aluminium cylinder heads.

The iron founders are looking for increased business in the production of crankshafts and connecting rods. In car engines, castings are replacing forgings for those parts.

The Department of Industry has repeatedly stressed the opportunities for increased castings exports that should, in its opinion, arise from the Government backing of the foundry aid schemes. But there is fairly widespread overcapacity in iron castings production round the world and it will not be easy to build up a significant export trade. The industry's "little neddy" has suggested a target of 15 per cent of production exported.

Many of the companies in the industry believe that such exporting efforts would prove expensive for small returns and their strategy ought to be to concentrate instead upon serving the home market.

One way forward for the hard-pressed foundries is to make the best use they can of new technology available to them. Undoubtedly, the Government aid scheme is helping a number of foundries to adopt more efficient production methods.

One example is the Crown Foundry Company of Northampton which is using a Japanese-designed vacuum moulding process to make piano frames and general art castings.

The £1.3m plant was installed last year backed by a £359,000 grant under the aid scheme. A moulding machine is making more than 500 piano frame castings a week and the company claims new standards of working conditions, productivity, and castings quality. The variety of the castings has also been widened with the process. More complicated shapes are being made than hitherto could be cast.

Obstacle

One of the biggest obstacles to higher productivity and better working conditions in the foundry industry has been the dirty and noisy aspect of parts of the founding process.

The task of fettling — the cleaning of castings and removal of surplus metal — has long ranked among the most unpleasant of foundry tasks as well as being one of the most labour intensive.

Now, however, a new generation of automatic fettling machines under development look like revolutionising this aspect of foundry work. A combination of automatic fettling and individual finishing assisted by robot handling and dust control systems promises to make iron founding a cleaner, quicker, and more certain process.

But control of air pollution and noise remains a problem in many iron foundries. It is something that has to be tackled vigorously if the industry is to continue to attract labour.

Roy Hodson

IRON CASTINGS OUTPUT

By customer sector in '000 tonnes and as percentage of total

Year	Automobile tonnage	%	Ingot moulds tonnage	%	Pressure pipes and fittings tonnage	%	Building and domestic tonnage	%	Engineering tonnage	%	Miscellaneous tonnage	%	Total tonnage
1948	218	6.5	307	9.2	500	15.0	453	13.6	1,264	37.9	595	17.8	3,337
1958	570	16.2	367	10.4	508	14.4	516	14.6	997	28.3	566	16.1	3,524
1968	945	26.2	542	15.0	455	12.6	492	13.6	688	19.0	492	13.6	3,614
1969	1,042	27.3	601	15.8	451	11.8	462	12.1	738	19.2	522	13.7	3,816
1970	1,058	27.6	603	15.7	460	12.0	459	12.0	759	19.8	494	12.9	3,833
1971	967	28.9	476	14.2	365	10.9	455	13.6	628	18.8	455	13.6	3,346
1972	1,021	31.1	469	14.3	389	11.9	425	12.9	545	16.6	432	13.2	3,281
1973	1,110	32.2	528	15.4	349	10.1	407	11.8	592	17.2	459	13.3	3,445
1974	1,004	31.5	420	13.2	340	10.7	378	11.8	613	19.2	435	13.6	3,190
1975	958	31.9	366	12.9	308	10.3	328	10.9	546	18.2	496	16.5	3,002
1976	1,014	32.2	395	13.4	267	9.0	305	10.3	507	17.1	475	16.0	2,963
1977	1,006	34.0	310	11.1	205	7.3	275	9.8	524	18.8	475	17.0	2,795

Source: Department of Industry

OFFERS OF GOVERNMENT AID

Offers of aid over £100,000 made under the Ferrous Foundry Industry Scheme, in the last quarter of 1978.

Company	Aid
C and B Smith Foundries	£584,500
Duport Foundries	£648,150
Qualcast (Derby Foundries)	£990,400
GEC Diesels	£695,600
Stone Platt Industry	£510,950
John Hall and Son (Oldham)	£189,300
Davy Roll Company	£161,150
" " "	£271,350
Ford Motor	£370,750

Source: Department of Industry.

Non-ferrous sector still depressed

THERE IS precious little to lighten the gloom among non-ferrous foundries. A year that seemed as if it might start more hopefully than 1978 has so far proved more stagnant than seemed likely in the last quarter of the year, and there are no real signs of an appreciable improvement.

One of the few discernible trends—really a confirmation and intensification of a movement that started with the necessary weight slimming of the typical American sedan—is the growing use of lightalloy castings, particularly aluminium, in road vehicles.

In the UK, this trend has still to reach high tide. Throughout the 1980s one can expect to see an increasing number of aluminium castings on cars and lighter trucks in the drive to save weight, improve fuel economy as well as for technical reasons.

But welcome though this trend may be, it is entailing some fairly major re-appraisals of foundry capacity and balance as between, for instance, spheroidal graphite (SG) iron and aluminium, and resulting in some quite dramatic switches in investment policies and techniques.

This is happening among major suppliers of cast components especially if they are sizeable exporters. All major vehicle producers also have their own foundries and if they, too, put down substantial aluminium capacity, as BL (British Leyland) is in fact doing, there ish a danger of over capacity.

That has to be weighted against the demand trend which is largely dictating events for the independent foundries, and underlines the high importance of vehicles designers and suppliers of foundry products getting getting together at the earliest possible stage—something that has been lacking in the past.

The trend also marks an important new phase in the way in which legislation is increasingly going to determine both the technical and investment aspects of the foundry industries. For while aluminium components have a vital part to play in lightening vehicle weight and helping to improve fuel economy, their thermal efficiency, as in inlet manifolds and cylinder heads is of at least equal importance.

Coupled with that is the improving accuracies of production processes which can eliminate, or at least minimise subsequent work of fettling, deburring and machining.

The other significant factor determining investment policy is, of course, the growing severity of health and safety regulations, which confront everyone with having to spend money on non-productive purposes to improve the working environment and thereby attract workers to what has traditionally been one of the dirty jobs.

Change

The speed with which the American vehicle industry is moving towards aluminium was well illustrated not so long ago by two orders worth together £4.5m for GKN Kent Alloys to supply alloy wheels to Ford and Chrysler in the U.S. It also speaks for the pressure on car makers to improve power-to-weight ratios and engine efficiencies to meet stringent new pollution legislation. Engine mountings, cylinder heads, brake drums and master cylinders, transmission covers, steering brackets and many other components are now being incorporated.

In the UK, the big move has been to aluminium cylinder heads and this can be expected to continue strongly, with aluminium also coming in for inlet manifolds and other components affecting thermal efficiency.

Car makers can also be expected to follow the Continentals into the use of aluminium cylinder blocks, which many expect to take over from light weight iron as the 'eighties draw to a close.

Aluminium has long been used in British-built cars, but in recent years it has been passed by European producers in France, Italy and Germany who have gone over to all-aluminium engines for popular small cars.

In Britain its use has largely been confined to all-aluminium engines for top of the market cars like the Rolls-Royce, Jaguar and Rover. It has not yet been used to any significant extent in small engines, though the now-defunct rear-engined little Imp was an exception.

This is now changing, and to some degree is being pulled along by the need for fuel-thrifty vehicles and by events in America. Although the usage in the average car was 114 lbs last year, an increase of no less than 141 lbs, momentum is still being gained and will increase when big new capacity being put down by General Motors and by the independents, comes into production.

This is an expanding market which leading UK founders are keen to share on a permanent basis, though this will almost inevitably mean establishing facilities in the U.S. Some quick decisions seem called for, for while the Americans are currently relying heavily on European expertise—and also some products—especially in automated gravity casting, it will be only for a limited period.

Having acquired the expertise and facilities, the Americans may then go on to develop pressure die-casting of bigger engines which production numbers would probably justify. The relative lack of high pressure die-casting in the UK has been due, as much as anything, to lower demand levels.

However, events are changing. The engine for the new Ford Erica, which should begin to issue from the Bridgend, Wales, plant in May, 1980, has an aluminium head and a light-weight iron block. For the future, aluminium blocks for some of the smaller horsepower engines looks a distinct possibility.

Big changes are also under way at BL Components, the supply arm of BL. The decision to build a £25m plant (with a capacity of 13,000 tonnes of aluminium components annually) at West Yorkshire Foundry at Leeds was bitterly attacked in the industry as putting down much more capacity than was needed—the effect of which would be to drive out

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Pressure on steel castings industry

CASTING IS one of the oldest methods of turning steel into shapes. Some of the principles have been known for generations. Over these years, alternative production methods have occasionally lured; they still do.

But the inherent advantage of being able to produce the shortest, least energy-intensive, and in many ways the cheapest route towards the finished product, keeps steel casting a vital tool in the manufacturing infrastructure.

Along with neighbouring sectors, the steel foundry industry has been bruised by the post-oil rise crisis; the fact that this coincided with a Government-backed scheme to modernise the industry earned considerable criticism.

Within the foundries, the Government assistance is vigorously defended, although the inevitable increased capacity—at a time of falling order books—is openly admitted.

Criticism today comes with the benefit of hindsight, foundrymen add. How many in 1974 could foresee the radical and sweeping changes in the world economy that the energy crisis, and subsequent reactions would bring?

The ferrous foundries scheme has at least begun to change the face of the steel castings industry. Capacity may well be ahead of demand, but there have been considerable efficiency benefits, and competition in the order-hungry days of 1979 needs such efficiency and modern hardware.

In Britain, the steel castings industry produces around 250,000 tonnes of castings each year. These have an unmachined value of up to £250m. The industry provides jobs for some 20,000 people directly, on about 100 UK sites.

The parameters of the industry are wider than many, including some customers, imagine. Steel is, of course, one of the convenient portmanteau words, covering a bewildering range of often highly specialised and different metals.

This range, from common carbon steel to the highly sophisticated alloys is of considerable value not just for the spread of markets, but also for the "fine tuning" that it allows the metallurgist.

Most alloys, for instance, can be cast. In the broadest sense, if a steel can be melted, it can be cast. And casting offers considerable flexibility to production runs.

Processes are available which are suited to almost any quantity, from 2m off down to 1m off. Size is just as flexible. The British Steel Corporation's River Don foundry in Sheffield can produce some of the biggest and heaviest castings in Europe.

Following a £7m modernisation plan, and with the current introduction of a modern and sophisticated business plan for the whole Don complex, the BSC plant is fighting hard to win new markets and backing this drive with intensive product development and research.

This plant also provides a fine example of the flexibility of the steel castings industry. They can produce a 10 tonne casting. They can also create a 300 tonne casting for the heavier end of modern technology — stone crushing machines, steam turbines, and hydraulic presses.

Diversity

The uses of castings extend far beyond the conventional heavy engineering machines. Certainly, mechanical engineering is a major customer, but so are other industries: vehicles, mining and mineral processing, iron and steel plant, power generation—the list is long and impressive.

Certainly markets have changed. Railways and shipbuilding, once major customers are now of much less importance, so the development of new customers is vital.

The castings industry is not yet winning this race, with levels of demand only around 66 per cent of levels measured in the 1960s.

Bearing in mind, however, the sweeping changes in both production and technology in the last decade, the steel founders are proving both tenacious and resourceful in filling order books.

They insist that British steel founding technology is a match for any other in the world. The inherent values of their industry will more than justify, they say, the guarded optimism now being displayed.

The rapidly rising cost of energy will dictate increasing importance to the effective utilisation of materials. Producing a component, or part, from molten metal to a very close approximation of the finished product must make sense in such terms.

There is healthy evidence that, individually, and through the Steel Castings Research and Trade Association, the industry is making real and concerted efforts to increase process and quality control.

Non-destructive testing techniques are of the utmost importance. The North British steel group of West Lothian, Scotland, which produces steel castings up to 25 tonnes, claims that enormous sums of money can be saved by the correct application of NDT.

They cite the shutdown of a power station because of defective plant. The cost of this would be astronomical. Yet attention to detail in NDT could help eliminate the possibility of such a service failure.

Their own equipment includes a 2.25 MeV Van De Graff high energy x-ray, installed in a specially constructed air-conditioned building with remote control. This provides accurate radiography of steel up to ten inches thick.

On the face of it, the castings industry does not have a particularly vivid export record. Perhaps 10 per cent of the castings sold go abroad. The real figure, however, is much higher as indirect exports have to be taken very much into account.

A further 45 per cent of output is built in to products which are sold abroad. There is also evidence of considerable extra direct export potential—certainly enough to make industry officials talk in terms of doubling the current 10 per cent figure.

Such extra sales are not easy to pick up. In Europe, for instance, there is a lingering fear of the UK strike record. The fact that this is a generalisation, and usually an inaccurate one, is of no matter to the suspicious customer.

Some inroads have been made into the German market, however, and even the French, normally committed to supporting their own producers, are showing growing interest in the reliability and prices offered by British exporters.

SCRATA has its own market researcher, who has already covered much of Western Europe and Scandinavia. From his reports, smaller member companies can assess market opportunities without the expense and inconvenience of losing a senior executive for a lengthy period.

The pressures of the market place are not the only restraints which the steel foundry industry has had to face, and overcome, in the economic shake-ups of the seventies.

No-one who has worked for any length of time in a foundry shop would ever regard it as a clean and wholesome work-place. It can be noisy, dirty and hot. So the progressively tighter legislation from the Government, and the parallel demands of many employees for better conditions have been growing.

It is to the credit of many steel founders that they have not only coped with such demands, but often been able to anticipate them with new equipment and technology that does make the foundry a better place for workpeople.

Desirable as it may be, the industry is only too well aware that the substantial capital development involved does not produce more. It is, in terms of productivity, dead money. An inescapable tax on operating a foundry today.

But managers are also aware that labour is always a problem in the foundry. A happier work-force promises a chance of better industrial relations—and a better chance of recruitment.

Steel founders appear to accept this burden of extra cost. Except when it comes to overseas competition. Is it fair, they sometimes ask, that the foundry in, say, Korea, with no pollution control equipment, no protection for workers, no major safety at work expenditure should be allowed to undercut UK producers because of such savings?

At the moment, direct imports are low—perhaps one per cent of the UK market, thus maintaining a healthy and positive trade balance.

Nevertheless, there is a strong body of opinion in the industry that such competition could eventually come, and that the "safety subsidy" that UK legislation gives to less scrupulous competitors should be the subject of regular scrutiny.

Roger West

This Disamatic boxless moulding machine at the Lydney, Gloucestershire, foundry of Lydmet (a member of the Associated Engineering Group), is designed for the high volume production of small-shaped parts

Non-ferrous sector

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independent producers also currently engaged in modernising and expanding capacity. It took some time before BL could convince the Department of Industry, and then its 20 aluminium suppliers that what it was planning was to take up the programmed growth in BL demand, not to take any away from existing suppliers.

BL envisages a modest increase in volume from the car factories, plus new engines, using more aluminium, as the new series "O" engines with aluminium heads has demonstrated.

The "O" engine output, incidentally, is planned to increase from a current 2,500 a week to 6,000 in two years time.

Over the next five years the demand for cast iron blocks and heads is expected to remain static, and may even go down. In the re-organisation process BL is closing the Coventry Engines foundry leaving it with four others.

The row that went on over this, and is still rumbling round the industry, conveniently—for Ford—shouted down its own programme over the Erica. Independent foundries have also to Ford will be placing around 40 per cent of its requirements for aluminium heads for the Erica with Fiat.

The question of why UK independent foundries lost out in this way has not been fully answered. But it is easy to see why their fears of over-capacity were provoked. According to the Light Metal Funders' Association, which accounts for perhaps 80 per cent of total output, production dropped from 82,000 tonnes in 1976 to 80,000 in 1977, and to only 77,000 tonnes last year.

Elsewhere in the non-ferrous foundries there has been a mixed bag of experience, with those supplying the building renovation, central heating and valves markets doing better than most—and on a more even keel.

Much has depended on having up-to-date plant, expanding export markets—the Middle and Far East have been good territories—and on management drive. But most of the action, and the anguish, has come from th aluminium sector, over which there still hangs some question marks.

Peter Cartwright

FOUNDRIES IV

Demand for new technology

IN THEORY, the road ahead for the mainstream steel foundry industry is delightfully simple. It must capitalise on an initial, and valuable asset, and then work downstream through the process, refining, improving and perfecting.

In practice, however, it is by no means as straightforward as that. Certainly that initial asset, the ability to take scrap and convert it into molten steel, usually by electric arc furnace, but occasionally by induction furnace, is the basis of industry production.

Immediately, variables begin to appear. Can we assume a guaranteed supply of suitable scrap, at a price the foundries are prepared to pay?

Despite a recent rash of price increases (which have brought howls of protest from the founders), Dr. Jeffrey Reynolds, director of the Steel Castings Research and Trade Association, thinks so. Scrap, he suggests, will always be available—at a price.

That price will still be a relatively low price compared with the cost of other forms of conversion which are so much more greedy for energy. Even if the price goes up, above levels now considered to be at a peak, scrap still represents only about 10 per cent of the value of the finished casting.

"What we have to do, to secure what should be a very bright future for the industry in the long term, is to take that basic asset and convert it into the required shape—with the minimum number of man hours, at guaranteed and consistent levels of productivity," adds Dr. Reynolds.

"This will have to be done without creating any harm to the environment, the worker in the foundry, or to the atmosphere outside," he says.

So research and development in the industry is not simply a quest for increased productivity, important as this is in such a competitive market, where customers may well be able to turn to rival techniques and technology.

In the carbon steel field, for instance, where the major part of the tonnage is delivered, labour costs amount to half the total costs. Here, even a small improvement in productivity could mean substantial savings, and could mean the difference between a foundry surviving, and making a profit and going out of business.

Productivity, in fact, is one of three main development targets set by the industry. Health and safety, also encompassing the environment, and consistency of quality are also given ratings of high importance.

Assurance

Dr. Reynolds explains: "Design requirements are escalating. Society is requiring a greater degree of assurance that components for, say, nuclear power stations will not fail."

In terms of quality, the easiest part is controlling the molten steel in the furnace. It is what happens afterwards that can present difficulties.

This clean, metallurgically correct metal then has to be poured into moulds, with no reaction between the two. Ensuring, for instance, that the method of pouring the molten metal into the mould is perfect; that the casting is free from such problems as shrinkage, and other defects. In other words, absolute supervision of the process from start to finish.

Much of the process is still very much a craft. Any development that can ensure a lessening of the human element, and still achieve quality, is important. This is no ordinary raw material; we are talking about something 300 degrees C hotter than cast iron.

Although metallurgical specifications are not always as tight as for iron, steel casting throws up problems of its own, particularly shrinkage, as opposed to the expansion difficulties of iron.

Dr. Reynolds argues that the three priorities, environment, quality and productivity all point in the same direction: increased mechanisation.

Increased mechanisation and more advanced technology bring the inevitable problem of greater costs. Already, the industry has felt—and sharply—the cost of environmental and health protection.

This field alone is now thought to represent 10 per cent of the cost of a casting. A major part of recent investment has, in fact, come in this field, although such investment is largely non-productive.

"It is undoubtedly an extra burden, but if we want people to continue to work in the industry then it is a burden we must bear," he says.

"It must be recognised, however, that we can't solve all the health and safety problems in the industry by simply going out and investing. Some of the technology we would need has not even been invented yet."

Nevertheless, investment will cure many of the problems that, until recently, arose from the melting of the steel. Now, problems lie in places such as the fettling shop. Ironically, perhaps, this is also the area where industry productivity is at its lowest.

So eliminate the need to grade and dress the castings so much, or provide the work force with the equipment to reduce their exposure to health hazards, and this will enable them to work much more safely and more efficiently.

Given that steel melting technology is good, much can still be done to eliminate faults, and the need for later corrective work in stages well before the fettling shop. The material of which the moulds are made, for instance, and which offers economy when purchased in bulk, may not turn out to be the cheapest in the end.

Experiments are investigating the possibility of applying very high quality refractory facings to moulds in order to obtain a much better product out—one that requires a lot less afterwork. This route holds so much promise that, by the late 1980s, changes still only barely visualised could transform the traditional image of the steel casting.

Indeed, the ultimate would be a system as efficient, in all senses of the word, as pressure die casting now is for aluminium. In other words, a technology giving a consistent product, very high quality with extensive automation.

For small steel castings, that kind of technology is already on the horizon—admittedly at a rather high cost at the moment. But with every prospect of rising energy costs, and the wasteful nature of rough machining, the alternative manufacturing route, a much more favourable economic light could be dawning.

For larger castings—perhaps 5 tonnes upwards—it is far more difficult to see radically different technology ahead. But remembering that this is a bespoke market (often "one-off" in the true sense of the word), perhaps such developments are far less necessary.

Powder metal has been hailed as another process which could eventually take a large slice of the castings market. But these claims were first made a long time ago, and industry is still waiting for the really big breakthrough.

Whether you use powder metal, or casting, high quality, high fatigue components have to start with the molten metal. If you can proceed from that to a near-complete object, without a welter of intermediate processes, it obviously still makes sense to cast.

In one major field, casting coexists comfortably with a major rival—forging. In the field of steelworks rolls, fierce competition between the two manufacturing methods has now lessened, with each staking a claim to the appropriate chunk of the market.

One exciting development here has been the use of vertical centrifugal casting to produce duplex iron rolls. These have a very hard, and wear resistant shell on the working part of the roll, with a softer and therefore tougher core, and journals, to avoid the risk of breakage.

Midland Rollmakers, at Crewe, have helped pioneer this important new route in roll manufacture, and spin-off technology could well be of the greatest importance in other casting fields. Apart from the obvious attractions to the customer, the process means the manufacturer only need use an exact amount of expensive shell metal, thus avoiding virtually all wastage.

So, developments in steel casting are continuing, quietly and efficiently. But Dr. Reynolds, as the man leading this work, is always aware of budget restraints. Given the prospect of tougher trade competition, there has been a temptation, he feels, to overlook basic industries like casting, and put public money into the newer technologies.

Although some support is forthcoming for castings research and development from the Department of Industry, the majority of the cost so far has been met by the industry itself.

"My own argument is, simply, that this industry is, intrinsically, worth far much more aid. We get about £250,000 a year from public funds. I could easily justify another £1m on top of that. We have the ideas, the programmes and the facilities. We want to make everything go faster, for I feel we are running short of time.

"We are entering the 80s, and I feel the work I want to do should have been started in the 60s. At one time, Britain had the best research and development base in the world.

"In many ways, we failed to take advantage of this, and we are in danger of being overtaken by some of our competitors."

Roger West

Aggressive marketing more vital than ever

THE OCCASIONAL cheerful resonse of marketing directors to inquiries about prospects overseas is apt to be drowned in the larger chorus of dismal Jimmies. Foundries, both light alloy and steel, are coming under increasing pressures, graphically shown in the upturn in the number going out of business. Aggressive marketing of quality components by efficient managements is clearly going to be more than ever necessary for survival.

What is interesting about a random sampling of companies is that some of the biggest, whose track records are exemplary, are among those most down in the mouth.

On the other hand some of the most cheerful, ebulliently talking of putting down more capacity and doubling direct exports to 20 and 30 per cent, are medium to small foundries.

Diligent perusal of statistics provides few satisfactory clues for these apparent anomalies. Indeed, apart from some dealing with steel castings, they are difficult or impossible to come by either on a national or European basis.

One of the problems, especially for non-ferrous castings, is that of nomenclature. Castings may find their way into vehicle component exports, for instance: Is it a casting or an axle, brake drum or whatever?

Instructive

It is perhaps more instructive to follow the tides of international trade than to try to elucidate scarce and only partial statistics. One of the most important and influential is the internationalisation of the vehicle industry. The UK has surrendered more than half the car market to importers, and a significant slice of the truck market.

While vigorous and largely successful efforts have been made by foundries to counter this loss of business by developing direct exports to North America, Europe and elsewhere, there is just no way British castings are going to find their way into Japanese cars, which take such a considerable proportion of the UK market.

What makes it doubly difficult to sell castings to customers hundreds of miles away across the sea is, first of all, security of deliveries. This may seem curious since British manufacturers have gone abroad for some supplies.

But in its different way it underlines the lack of confidence in the security of supplies from this country because of industrial action, even though foundries have a pretty good record. Nor is a foundry able to offer to a retailer an end product such as a suit or souvenir or shovel. What basically he offers is capacity, expertise, quality and delivery, and if he happens to be in the motor industry—which accounts for nearly 60 per cent of light alloy output and getting on for half iron and steel output—then he wants to be sitting across the table when the vehicle manufacturer is drawing up schedules for a new model, because original equipment with the after market follow up in spares is the most influential in attracting future business.

As it is, he may lament that though he has put in the lowest tender for a job in Germany it has been awarded to a German foundry. The UK is still the free-est market in Europe, too lacking in chauvinism, some say.

Another of the awkward facts of life is that while it is possible to put a representative on the road in this country for around £8,000, it costs something like twice as much on the Continent. Furthermore, if a manager wants to fly out to meet him or a customer he pays full air fare, unlike the lucky holidaymaker.

In the face of so many difficulties it is all the more meritorious that British foundrymen directly export five or six times more than is directly imported, a sizeable balance in their favour. Some 10 per cent of iron and steel castings produced are sent overseas and around 7-8 per cent of non-ferrous castings against 1-2 per cent of direct imports.

By far the largest market is the U.S., where the harsh imposition of stringent environmental controls a few years ago put many foundries out of action and opened up opportunities for British foundrymen.

Next in importance is Spain, which also illustrates the way in which the vehicle industry determines markets. From miniscule beginnings in 1974, Spain has been growing at the rate of more than 150 per cent a year to overtake Germany. The key to this is the siting by Ford of a Fiesta plant there, engine castings for which are supplied by Ford foundries at Dagenham and Leamington Spa. Though a direct export, this is, of course an "in house" arrangement from which independent foundries benefit only marginally.

In the opposite direction, Ford brings in Capris, Granadas and some Cortinas from Germany, while Vauxhall (General Motors) brings in Cavalier 1600s and 2000s, Carltons and Royales, all with indigenous castings. Though part of the Government's financial help to Chrysler was that the UK content of the Alpine (which originated at the French plant) should rise to more than half, the future direction of the company is now in the hands of Peugeot-Citroen, with all that presages for supply procurement. With shipbuilding only a shadow of its former self, the agricultural and construction industries more or less marking time, it is small wonder that for large sections of the foundry industries the expansion of the early 'seventies is giving way to contraction. Last year's deliveries of steel castings were the lowest in memory at 196,000 tonnes.

Not all is gloom and despondency. The machine tool industry is beginning to pick up, with a welcome resurgence of orders from America as the car industry there tools up for the smaller cars fuel scarcity is forcing on the pubic.

Some specialised foundries are doing a good business in providing the heavy beds for lathes and other machines.

"Our exports account for around ten per cent of production at the moment, but we have sufficient orders in the pipeline to increase it to nearer 20 per cent," one marketing director said, adding that his programme was 30 per cent exports by 1981. Some £2m is being spent on modernising and expanding capacity, and it has just appointed its third agent in the U.S.

An aluminium diecaster is doing 5 per cent exports, mainly to Germany for the vehicle industry and is planning to get more. Another company (employing 50) making spares for shot-blast equipment, is doing a record 13 per cent exports and hopes to push it up to 20 per cent through agents in Holland, Germany, France and Belgium.

But whether successful or not, the ferrous foundry industry as a whole has had to try to absorb some hefty price rises in some of its principal costs, and faces still more.

Coke prices will go still higher to absorb the projected miners' pay settlement, while foundry workers are also waiting in the wings. Rates are bound to go up, as are oil and electricity prices. That the list may be a familiar one makes it no easier to swallow, or to plan a wide-ranging export market programme when the home market looks so weak in key sectors.

It is small wonder that the well-intentioned Government aid schemes for the foundry industries are beginning to seem to many to be over-indulgent and that would-be recipients are having second thoughts.

So, what happens to exporting over the coming months will depend more than ordinarily upon the enthusiasm and drive of newcomers and of those with technically exciting products to provide any cream.

Peter Cartwright

COMMODITIES AND AGRICULTURE

Imps accused of egg market 'carve-up'

BY CHRISTOPHER PARKES

THE IMPERIAL Tobacco group has been accused of "carving up" the retail egg market.

Its price-cutting tactics in small retail outlets have helped to push many smaller-scale producers into "dire financial trouble," according to Mr. David Lewis, a prominent independent poultry farmer and immediate past-president of the National Egg Producer-Retailers' Association.

In the latest NEPRA market report Mr. Lewis charged that since Christmas the Ross arm of Imps, which has absorbed the recently-acquired Eastwood poultry business, has been selling eggs to small shops and cash-and-carry outlets at prices as much as 13p a dozen below prices charged to supermarkets.

The smaller outlets are generally regarded in the industry as the province of the independent producer-retailers who are prepared to deliver small loads.

But Ross, Mr. Lewis claims, has been trespassing in this sector and has even been willing to deliver single boxes in its search for sales.

"The Imperial Group made it fairly clear when they took over Eastwoods that they would not start a price war . . . their strategy instead seems to be to hold up prices to their major customers and carve up the rest of the market," he wrote.

Mr. Lewis, who farms in Kent, said although there had not been any official price changes for nine weeks, he had had to reduce his prices for all his regular customers.

In self-defence, he suggested he would have to approach local supermarkets, warn them of what was happening, and offer them his eggs at the reduced prices.

The egg industry, which has still to recover from the upsets of last year when for many months it was selling at below the cost of production, has been over-producing heavily for some weeks.

Exports have helped to relieve some of the pressure, but there are still too many eggs for sale. As a result some of the larger companies appear to have been hawking their surpluses around and now the smaller producers are being severely squeezed.

Speculative selling hits copper

By John Edwards

Heavy speculative selling brought a sharp downturn in the copper market on the London Metal Exchange yesterday. Cash wirebars lost £31 to £988.5 a tonne.

The decline was triggered off in the New York market overnight and caught London traders in an uncertain mood. Although most dealers maintain that the fundamental supply-demand situation remains strong, with copper supplies continuing to decline, especially from the African copperbelt, there is also the feeling that the upward momentum in prices has ended at least for the time being.

The fall in copper brought losses in other metals too. Nickel lost £95 to £3,182.5 a tonne, and aluminium, lead, zinc and silver prices also declined. However, tin prices resisted the downward trend, encouraged by a rise in Penang overnight. Cash tin ended £80 up at £7,475 a tonne.

Bergland raises Sugar Bill hopes

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD SUGAR values rallied on the London terminal market yesterday following a prediction by Mr. Bob Bergland, U.S. Secretary of Agriculture, that the House of Representatives was likely to pass the controversial Sugar Bill.

If legislation to regulate the U.S. domestic sugar industry can finally be agreed this would leave the way clear for the U.S. to sign the International Sugar Agreement.

However, despite the market's reaction, Mr. Bergland did seem to have some doubts about the Bill. He said he did not know if President Carter would sign it, even if it was approved by Congress.

He also suggested that a "gasohol" provision, authorising federal loan guarantees for turning sugar and corn (maize) into industrial grade alcohol, should be considered separately.

Mr. Bergland also warned that the House would not approve the Bill if amendments were added covering cotton loan levels and target price increases for other farm products. "The House is not in the mood to increase the Budget."

Fears that the Sugar Bill may be inflationary have already aroused strong opposition from the powerful consumer groups, who have urged Congressmen to oppose the Bill.

Meanwhile, the EEC Commission yesterday authorised the export of a further 52,500 tonnes of white sugar at the weekly tender. It reduced the maximum rebate to 31.119 European Currency Units against 31.493 units last week when exports of 44,000 tonnes were authorised.

World grain crop forecast trimmed

ROME — The UN Food and Agriculture Organisation (FAO) has trimmed its forecast for 1979 grain production to 1.14bn tonnes, 8m tonnes below its late March estimate.

This reflects lower crop prospects in several countries and smaller coarse grains plantings now in prospect, it said.

The new forecast, based on data available up to April 24, would put 1979 world grain output 4 per cent below the 1978 total.

Unfavourable weather has damaged this year's food crops in 22 countries, mostly in the developing world.

However, large supplies of wheat and coarse grains in exporting countries are more than sufficient to meet current import demand, and carry-over stocks are expected to rise further, FAO said.
Reuter

MALAYSIAN MINING CORPORATION
Changing the face of tin marketing

BY PHILIP BOWRING, RECENTLY IN KUALA LUMPUR

THE MOVE by the Malaysian Mining Corporation six months ago to by-pass the Penang market and sell direct to consumers has contributed towards the firmness in world tin prices.

That is the view of Abdul Rahim Aki, managing director of the Corporation, which is the world's largest tin mining group.

Late last year MMC came to an arrangement with Anglo Chemical, a subsidiary of Philipp Brothers, which in turn is part of the Anglo American group, to market output of MMC mines directly to consumers rather than selling on the Penang market.

MMC tin is still smelted in Penang but on a toll basis, under which the tin is returned to the company for marketing.

MMC is a holding company controlling a number of quoted tin producing companies. It is 72 per cent owned by Pernas, the Malaysian National Corporation, and 28 per cent by Charter Consolidated, also a part of the Anglo American group.

In a recent interview, Rahim Aki told the Financial Times that because of the evident imperfections in the Penang market mechanism the reduction in the amount of tin offered by the smelters, even if matched by a reduction in demand, had the effect of raising the daily cut off price.

He said there was a clear connection between the amount of tin offered daily and the price level because under the Penang system buyers were bidding "blind" due to the wide variations in daily offerings.

However, opinion in Kuala Lumpur is far from unanimous about whether Rahim Aki's contentions will stand the test of time.

Some claim that the price effect was largely psychological and has already begun to wear off. Another opinion is that the MMC move has had an impact by reducing the physical supply to the Penang market at a time when there was already a shortage of tin.

However, according to this theory, the thin market could result in a sharper than otherwise price fall should an over-supply situation develop.

Big users would have already met their needs from MMC and would not need to come to Penang for marginal supplies.

However, Rahim Aki argues that the new situation would be closer to the London copper market where producers and consumers deal directly with each other on the basis of a reference price based on the Metal Exchange quotation even though a relatively small amount of physical copper passes through the LME.

The argument about the price impact of the MMC move will probably never be conclusive. But it is important for both producers and consumers, and especially for the public companies which are part of the MMC group.

Though MMC clearly benefits directly from higher prices, its objectives in changing the marketing system are rather different. Its aim is to gather for itself much of the marketing and other intermediate profits which previously passed to merchants in Penang and London and to the Penang smelters.

MMC also wants to develop direct relations with customers and gain the leverage in the market which it believes it is entitled to with nearly 30 per cent share of Malaysian output.

How far these objectives mesh with those of the producing companies cannot easily be judged. It is possible that pressure could build up for the appointment of outside directors to the Boards of the producing companies, to give shareholders the assurance that affairs were being conducted for the benefit of all shareholders in the event of any conflict of interest with MMC as the marketer.

Under present arrangements between MMC and the producing companies, according to MMC, the companies are paid on the basis of the Penang price on the day of delivery to the smelter. The timing of delivery is determined by the producer in accordance with its production programme, and not by MMC.

The precise nature of the relationship between MMC and Anglo Chemical is less clear. Anglo Chemical is described as the London correspondent of MMC and in turn it uses the world wide office network of Philipp Brothers for marketing.

Trade sources here seem to think there is some kind of profit split between Anglo Chemical and MMC based on the difference between the realised price of the metal and certain moving averages of Penang and LME prices.

Rahim Aki declines to detail the arrangement, except that initially it was for one year. It seems likely to be extended.

Whatever the effect on the tin price, the new mechanism, even if very conservatively operated, should produce intermediate profits for MMC. The group can sell in the knowledge that it has a constant supply of physical tin. MMC argues that merchants without tied sources must bid on Penang without knowing how much tin is available and how much they may get at a specific price. They can also be hurt by the very flexible delivery time allowed to the smelter—up to 60 days.

Critics of the Penang market say the system creates an unnecessary additional layer of Penang middlemen who buy a substantial part of the daily offerings and keep stocks for resale to overseas merchants who are unable to meet their own commitments with amounts they receive from the daily bidding.

However, merchants in London and Penange who may be hurt by the MMC move say the old system gives more flexibility and that the consumer prefer to buy through merchants than indirectly encourage the development of an embryo producer cartel.

However, MMC seems in two minds whether it wants to reduce the smelters' profits to its own advantage, or go into the smelting business itself either by setting up its own smelter or acquiring a stake in one or both of the two existing smelter owners, Straits Trading, and Datuk Keramat Holdings. But a move into smelting by MMC is probably inevitable.

Potato futures market plan

BY OUR COMMODITIES STAFF

THE INTRODUCTION of a London potato futures market next spring, in time to handle the 1980 crop, is now confidently expected.

This follows unanimous recommendation by a special committee, drawn from all sections of the trade, that the project should go ahead. The proposed futures market is being jointly sponsored by the Federation of Fruit and Potato Traders and the Grain and Feed Trade Association.

The recommendations of the special convening committee, which spend several months investigating whether the idea of a futures market for potatoes was worthwhile and workable, are being sent to all interested organisations. It is hoped a formal decision to go ahead will be taken by October.

Details have yet to be finalised, but it is thought a contract can be formulated to permit most varieties of potatoes to be delivered, providing they meet the quality specifications laid down.

At present it is believed the market is most likely to be housed in the Baltic Exchange. Costs there are believed to be considerably less than at the "soft" commodity markets centre in Mark Lane, and many potato traders may find it more convenient to be close to the existing grain futures market on the Baltic.

The impetus for a potato futures market was triggered by violent price fluctuations in recent years and the prospect of a free-for-all developing when EEC regulations force the end of support buying by the Potato Marketing Board and open the door for imports into Britain from other EEC member countries.

A recent European Court of Justice ruling has already forced Britain to lift its traditional ban on imports of main crop potatoes from Common Market countries.

It is hoped the proposed futures markets will provide opportunities for protection against price fluctuations to all sections of the trade. There is an existing potato futures market in Amsterdam which is already used by some UK processors, but it is not viewed as a satisfactory hedge against British price movements and turnover is somewhat limited.

Meanwhile the Central Council for Agricultural Co-operation this week launched a campaign to improve UK potato marketing. The Council pointed out that British farmers produce more than 4.5m tonnes of potatoes each year, worth about £250m, but underlying trends in the market should be a major cause for concern among growers.

Consumption had fallen on a per capita basis. Better marketing was essential to maintain a viable home potato industry, it claimed. Co-operatives had a major role to play in bridging the gap between customer and producer.

The Ministry of Agriculture is providing additional funds for the £100,000 promotion and development campaign.

U.S. prepares to lift ban on Ugandan coffee

BY RICHARD MOONEY

UGANDAN COFFEE could be flowing into the U.S. again before long.

The Senate foreign relations committee has approved a measure to lift the trade embargo imposed last year in protest at the inhumanity of the Amin regime.

But even if the measure progresses at full speed through the complicated American legislative process it is likely to be several weeks before shipments resume.

Ugandan coffee officials are still working to unravel the tangle the country's coffee trade got into during the Uganda/Tanzania conflict which brought the Lule regime to power.

A Ugandan Coffee Board spokesman said in London yesterday that no date had been set for the lifting of the force majeure imposed a month ago because of the fighting.

London coffee traders said meanwhile that the American news came as no surprise and had little impact on the market. July delivery coffee futures fell £14 yesterday to £1,560.5 a tonne. The traders said the market continued dull with virtually no physical business being transacted.

Uganda's 1978-79 exportable coffee crop is estimated at about 2m bags (60 kilos each), equivalent to about four per cent of world export supplies.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Fell away on the London Metal Exchange. After opening at £1,007 and trading around that level on the early pre-market forward metal came under heavy long liquidation which depressed the price to £985 in the morning. However, in the afternoon the market picked up in line with Comex with bear covering moving the price up to £994 before renewed long liquidation saw a close on the late kerb of £989. Turnover 17,000 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars	£	£	£	£
Cash	990-1	-34.2	988-9	-31
3 months	1007.5-8	-29.7	988.5	-27.2
Settlem't	991	-34	—	
Cathodes				
Cash	985-5	-33.5	979-82	-32.5
3 months	1001-2	-30.2	985-8	-31.5
Settlem't	985	-36	—	
U.S. Smt.	—		*98-102.25	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £990, 91, three months £998, 98, 96, 95.5, 96, 95, 96, 95.5, 96, 94, 92, 91, 90.5, 91. Cathodes, cash £984, 85, three months £1,000. Kerb: Wirebars, three months £991, 90, 89, 88, 87, 85, 85.5, 86, 87, 86, 87. Afternoon: Wirebars, three months £991, 92, 91.5, 92, 92.5, 93, 990, 89.5, 89, 88.5. Kerb: Wirebars, three months £988, 86, 87, 87.5, 88, 89, 90, 89.5, 89.

TIN—Quietly firm. Forward metal fell to £7,080 on the early pre-market reflecting hedge selling but recovered in the afternoon to touch £7,150 owing to bear covering prompted by the upturn in copper. However towards the close of the late kerb the price eased back to close at £7,110. Turnover 1,405 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7400-10	-57.5	7470-80	+88
3 months	7140-50	+10	7160-80	+57.5
Settlem't	7410	-55	—	
Standard				
Cash	7400-10	-57.5	7470-80	+88
3 months	7105-10	-15	7145-50	+52.5
Settlem't	7410	-55	—	
Straits E.	†1943	+18	—	
New York	—			

Morning: Standard, cash £7,340, 80, 7,400, three months £7,080, 90, 7,100, 7,110. Kerb: Standard, three months £7,110, 7,100. Afternoon: Standard, cash £7,450, 70, three months £7,125, 30, 45. Kerb: Standard, three months £7,130, 20, 10, 7,100.

LEAD—Easier, trading between £521 and £525 prior to closing the late kerb at £524.5 reflecting modest trade support at the lower levels. Turnover 8,025 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	557.5-9	-14.2	555-60	-4.5
3 months	522.5	-11	523.5-4	-3.75
Sett'ment	558	-15	—	
U.S. Spot	—		*48	

Morning: Cash £556, three months £522, 21, 22, 23, 21, 22, 22.5. Kerb: Three Months £522. Afternoon: Cash £560, three months £524, 23.5. Kerb: Three Months £523, 22.5.

ZINC—Marginally lower in quiet and routine trading with forward metal finally £392 on the late kerb. Turnover 21,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	380.5-1	-5.5	381-2	-2
3 months	392.5-3	-5	393-.5	-2
S'ment	381	-5.5	—	
Prim.west	—		*37.5-8.5	

Morning: Three months £393, 92.5, 93, 92, 92.5. Kerb: Three months £392, 93, 92.5. Afternoon: Three months £394, 94.5, 94. Kerb: Three months £393.5.

ALUMINIUM—Lost ground with sentiment affected by the decline in copper. Forward metal opened around £766 but fell back to £763 before closing the late kerb at £764.5. Turnover 3,625 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	761-2	-15.2	759-61	-15.7
3 months	764-.5	-15.2	762.5-3.5	-9.75

Morning: Late May £762.5, early July £763.5, three months £765, 64, 63.5. Kerb: Three months £761. Afternoon: Three months £764, 63, 64. Kerb: Three months £763, 64, 65.

NICKEL—Easier. Forward metal moved narrowly in idle trading prior to closing the late kerb at £3,180. Turnover 474 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	—		—	
3 months	3180-90	-157	3180-5	-95

Morning: Three months £3,180, 70, 60, 70, 3,200, 3,190, 80, 70, 50, 75, 90, 85. Kerb: Three months £3,200. Afternoon: Three months £3,200, 3,185, 80, 70, 60, 85. Kerb: Three months £3,175, 78, 80.

* Cents per pound. † $M per picul. ‡ On previous unofficial close.

SILVER

Silver was fixed 7.05p an ounce lower for spot delivery in the London bullion market yesterday at 381.35p. US cent equivalents of the fixing levels were: spot 789.5c, down 13.4c; three-month 808.1c, down 12.6c; six-month 825.0c, down 12.6c; and 12-month 852.9c, down 11.7c. The metal opened at 383-384p (791-793c) and closed at 384-385p (794-796c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	381.35p	-7.05	383.55p	-4.45
3 months	392.05p	-6.95	394p	-4.4
6 months	400.95p	-6.55	—	
12 months	418p	-6.5	—	

LME—Turnover 300 (242) lots of 10,000 ozs. Morning: Cash 382.3; three months 392.5, 92.7, 92.9, 92.4, 92.7, 92.8, 92.5. Afternoon: Three months 394.3, 94.5, 94.6, 95.1, 95.2, 95.6, 95.5, 95.6, 94.2, 94, 94.1, 94, 94.5. Kerbs: Three months 394.2, 95, 94.5.

COCOA

Origin offerings coupled with commission house selling caused cocoa futures to ease throughout the day to close at the day's lows, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1634.0-35.0	-19.0	1655.0-33.0
July	1616.0-18.0	-19.0	1646.0-16.0
Sept.	1644.0-45.0	-9.5	1665.0-42.0
Dec.	1705.0-08.0	-12.0	1720.0-17.0
March	1738.0-42.0	-1.5	1749.0-24.0
May	1754.0-58.0	+2.5	1765.0
July	1770.0-90.0		—

Sales: 3,127 (4,073) lots of 15 tonnes. International Cocoa Organisation (U.S. cents per pound) Daily price May 1: 151.64 (150.51); Indicator prices for May 2: 15-day average 147.53 (147.18); 22-day average 147.63 (same).

COFFEE

Although early market indications had suggested a steady opening session and Commission House selling prompted an easier tone to the morning's proceedings, reports Drexel Burnham Lambert. Mixed selling towards the close pushed values to the lows of the day. After a quiet but steady afternoon period prices finished £5 to £14 down from Tuesday.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1579-1580	-15.0	1592-75
July	1560-1561	-14.0	1580-57
September	1557-1559	-13.5	1570-55
November	1556-1557	-16.0	1568-58
January	1550-1551	-16.0	1560-50
March	1540-1541	-18.0	1550-40
May	1531-1540	-17.5	1538

Sales: 3,214 (1,952) lots of 5 tonnes. ICO Indicator prices for May 1 (U.S. cents per pound): Colombian Mild Arabicas 153.00 (148.33); unwashed Arabicas 149.00 (same); Robustas ICA 1968 147.50 (same); Robustas ICA 1976 147.25 (same); Other Mild Arabicas 148.00 (148.33). Composite daily average 140.88 (140.22).

GRAINS

LONDON FUTURES (GAFTA)—Old crop wheat opened 10p higher but after initial support values eased in thin volume to close 10p lower on trade selling. New crop remained steady and values improved to close 35-50p higher on the day. May barley opened 20p up and remained steady in thin volume to close 40 higher on the day. New crops saw good trade and commercial buying and values increased in reasonable trading to close steady 40-50 higher on the day, Acli reports.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	102.25	-0.1	98.35	+0.4
Sept.	93.80	+0.35	88.15	+0.4
Nov.	96.70	+0.3	91.50	+0.5
Jan.	100.10	+0.4	94.85	+0.4
Mar.	103.05	+0.5	97.80	+0.45

Business done—Wheat: May 102.50-102.25, Sept. 93.80-93.65, Nov. 96.70-96.60, Jan 100.10-99.90, March 103.00-102.75. Sales: 98. Barley: May 98.35-98.20, Sept. 88.15-87.95, Nov. 91.55-91.30, Jan. 94.85-94.60, March 97.65-97.65. Sales: 231.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent April/mid-May 86.50, May 86.75, June 85.75 transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EEC June 109 quoted. Maize: U.S./French May 113, June 113, July 114 transhipment East Coast. S. African White unquoted. S. African Yellow May 78 nominal. Barley: English feed fob May 102, June 103, Oct.-Dec. 93, Jan.-March 98 East Coast.

HGCA—Location ex farm spot prices. Feed Barley: Shropshire 98.00, Essex 98.70.

The UK monetary coefficient for the week beginning May 7 will increase to 1.218.

EEC IMPORT LEVIES—The following levies and premiums are effective for May 3 in order of current levy plus June, July and August. Premiums (with previous in brackets), all in units of account per tonne. Common Wheat: 105.59, nil, nil, 0.56 (108.39, rest nil). Durum Wheat: 160.41, nil, nil, 0.63 (160.41, 1.14, 1.14, 1.89). Rye: 107.73, rest nil (107.73, rest nil). Barley: 104.92, rest nil (104.92, rest nil). Oats: 104.64, rest nil (104.64, rest nil). Maize (other than hybrid for seeding): 93.47, rest nil. Buckwheat: 2.57, rest nil (2.57, rest nil). Millet: 99.96, rest nil (99.96, rest nil). Grain Sorghum: 104.45, rest nil (108.32, rest nil). Flour levies: Wheat or mixed wheat and rye flour: 162.43 (166.35). Rye Flour: 165.41 (165.41).

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing on a quiet note. Lewis and Peat reported the Malaysian godown price was 275 cents a kilo (buyer, May).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
June	59.50-59.80	60.00-60.05	59.60-59.75
July	60.30-60.90	61.15-61.25	—
Jy-Sept.	61.60-61.70	62.25-62.35	62.10-61.40
Oct-Dec	63.95-64.00	64.45-64.50	64.50-63.45
Jan-Mar	65.80-66.00	66.40-66.45	66.45-65.70
Apr-Jne	68.00-68.05	68.40-68.50	68.00-67.85
Jy-Sept.	70.60-70.10	70.45-70.55	70.05-69.80
Oct-Dec	72.00-72.10	72.50-72.55	72.05-71.90
Jan-Mar	74.10-74.20	74.55-74.70	74.20-74.10

Sales: 17 (15) lots at 5 tonnes. 432 (275) at 15 tonnes.

Physical closing prices (buyers) were: Spot 58p (59.5); June 63.75p (64.0); July 63.5p (64.0).

SOYABEAN MEAL

The London market opened slightly easier with lack of selling pressure and better cash interest in the market soon rallied to close the day's highs, reported T. G. Roddick.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
June	121.50-21.7	-0.75	121.70-120.50
August	122.00-22.7	-0.5	122.70-122.50
October	124.00-24.9	-0.9	124.60-122.50
December	124.50-24.6	+1.0	124.70-122.50
February	125.50-25.9	+0.95	—
April	125.50-26.5	+0.8	—
June	125.50-27.0	+0.5	—

Sales: 106 (146) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £96.00 (same) a tonne cif for March-April shipment. White sugar daily price was £101.50 (£102.50).

The market was steady during the morning on quiet trading conditions. Later, however, reports of substantial purchases by Iran and optimistic comments by Senator Bergland on the prospects for the proposed U.S. Sugar Bill lifted prices, reports C. Czarnikow. Gains of some 125 points were recorded by the close when quotations touched the high points of the day.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug.	105.25-05.30	104.75-04.80	105.50-03.75
Oct.	108.30-08.35	108.00-08.50	108.65-08.00
Dec.	113.20-13.30	112.75-12.80	113.40-12.20
March	117.80-17.95	117.45-17.50	118.00-17.00
May	120.50-20.75	120.30-20.40	120.00
Aug.	124.25-24.50	124.00-24.25	124.00
Oct.	127.75-28.25	127.50-28.25	—

Sales: 1,218 (1,373) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (same) a tonne for home trade and £166.50 (same) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for May 1: 7.70 (7.70); 15-day average 7.71 (7.73).

WHITE SUGAR—Close (in order buyer, seller, business, sales). July 104.50, 104.65, 104.25-104.00, 44; Sept. 108.40, 108.50, 108.00-107.50, 78; Nov. 111.60, 111.75, 111.75-111.25, 22; Feb. 119.00, 119.25, 119.25-118.75, 27; April 122.50, 122.75, nil, nil; July 125.75, 127.25, nil, nil; Sept. 128.75, 131.25.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: May 388.5, 389.5, 391.0-388.5, 32; July 402.4, 403.5, 403.0-400.3, 39; Oct 403.0, 404.0, 403.5-400.1, 41; Dec. 403.0, 404.0, 433.5-400.5, 38; March 405.0, 406.0, 404.5-404.0, 15; May 406.5, 407.0, 406.5-405.0, 11; July 407.5, 409.0, 407.5-406.0, 14; Oct. 410.0, 412.0, nil, nil. Sales 190.

LONDON GREASY—Close (in order buyer, seller). May 212.0, 217.0, July 210.0, 215.0; Oct., Dec., March, May, July and Oct all 220.0-240.0. Sales: nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller). May 190.0, 197.0; July 198.0, 202.0; Oct. 200.0, 203.0; Dec., March, May, July and Oct all 205.0, 209.0. Sales: nil.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 161 tonnes, bringing the total for the week so far to 1,028 tonnes. Occasional contracts were placed mainly in African and South American growths. The call for supplies was hampered by political considerations and the need to avoid further commitments of any volume.

MEAT/VEGETABLES

MLC forecast rates of UK monetary compensatory amounts for week commencing May 7. (Previous week's figures in brackets). Fresh or chilled beef: carcases 20.19p per kg (18.77). Green bacon sides: £127.48 per tonne (118.49).

MEAT COMMISSION—Average fatstock prices at representative markets on May 2. GB cattle 76.18p per kg l.w. (−0.03). UK sheep 192p per kg. est. d.c.w. (+0.7). GB pigs 59.4p per kg. l.w. (+0.1). England and Wales: Cattle numbers down 5.9 per cent, average price 76.64p (+0.73). Sheep numbers down 0.7 per cent, average price 190.7p (−0.6). Pig numbers down 0.8 per cent, average price 59.3p (no change). Scotland: Cattle numbers up 52.6 per cent, average price 75.29p (−1.88). Sheep numbers not comparable, average price 197.3p (+8.6). Pig numbers up 13.6 per cent, average price 63.7p (+0.2).
ch3 etaoin shrdul cmlwyp vbgkq cwyp

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 58.0 to 62.0; Eire hindquarters 78.0 to 80.0, forequarters 37.0 to 40.0.

Lamb: English small New Season 90.0 to 100.0. Imported frozen: NZ PL 51.0 to 51.0, NZ PM 50, 0to 50.0.

Hoggets: English 36.0 to 85.0; Scottish 70.0 to 85.0.

Pork: English, under 100 lbs 35.0 to 45.0, 100-120 lbs 36.0 to 43.0, 120-160 lbs 33.0 to 42.0.

LEEDS—Slightly firmer. Second clear Ox: 31-31.5 kilos, 90.2p a kilo (90.1); 28-30.5 kilos 97.3p (95p): 22-25.5 kilos 103.2p (103.p). Light cows 102p (106.5p).

COVENT GARDEN—Prices in sterling per package, except where otherwise stated. Imported produce: Tangerines—California: 100/125s 5.00-6.00. Oranges—Israeli: Shamouti 4.40-5.60, Valencia Lates 4.30-5.50; Cyprus: 3.50-4.50; Moroccan: Valencia Lates 56/113 4.10-5.00. Lemons—Italian: 100/120s 4.80-5.00: Spania: Trays 30/40/45 1.80-2.40; S. African: 5.50-6.00.

English produce: Potatoes—Per 25-kg 2.40-2.80. Lettuce—Per 12 round 1.00-1.20. Mushrooms—Per pound 0.50-0.55. Apples—Per pound Bramley 0.05-0.10; Cox's Orange Pippin 0.09-0.20; Laxtons 0.04-0.06. Pears—Per pound Conference 0.15-0.20. Beetroot—Per 28-lb 1.10, long 2.00. Carrots—Per 28-lb 0.80-1.60. Onions—Per 28-lb 2.40-3.00. Rhubarb—Per pound outdoor 0.05. Tomatoes—Per pound 0.45-0.50. Swedes—Per 28-lb 1.30-1.40. Cucumbers—Tray 8-18s 2.20-2.70, prepack 3.00-3.20. Cauliflowers—12s 2.50-3.80. Spring Greens—Per crate Kent 1.50-2.00, Cornish 2.80-3.00.

PRICE CHANGES

In tonnes unless otherwise stated.

	May 2 1979	+ or —	Month ago
Metals			
Aluminium	£710		£710
Free Mkt (cst)	$1580-1600		$1,550/60
Copper			
Cash w'bar	£988.5	-31	£999.5
3 mth	£998.25	-27.25	£1,005.5
Cash Cathode	£980.5	-32.5	£1,001.5
3 mth	£981	-31.5	£1,011.5
Gold troy oz	$246.875	-0.375	$239.125
Lead cash	£559	-5.0	£565.5
3 mth	£523.5	-3.75	£525.75
Nickel	£2786.75		£2,486.59
Freemkt c.i.f (lb)	290/320c	-7.5	245/60c
Platin'm tr'y oz	£171		£159
Free mkt	£114.6	+2.65	£104.35
Quicksilver	$275/85		$257/62
Silver troy oz	381.35p	-7.05	394.55p
3 months	392.05p	-6.95	363.65p
Tin cash	£7,475	+80.0	£7,135
3 mths	£7,147.5	+52.5	£7,030
Tungsten	$137.43		$137.42
Wolfrm 22.04 cif	$139-43	+1.5	$133-38
Zinc cash	£381.5	-2.0	£386.25
3 months	£393.25	-2.0	£395.75
Producers	$800		$800
Oils			
Coconut (Phil)	$1,110	+10.0	$1,015
Groundnut	[illegible]		[illegible]
Linseed Crude	£411		£432
Palm Malayan	$666s	-3.0	$663
Seeds			
Copra Philip	$732.5s	-2.5	[illegible]
Soyabean (U.S.)	$302s	-0.2	$307
Grains			
Barley Futures	£98.15s	+0.4	£86.6
Maize			
French No 3 Am	£113		£111
Wheat			
No. 1 Red Spg.	‡		‡
No2HardWint.	‡		‡
Eng. Milling †	£104.5		£101.5*
Other commodities			
Cocoa ship't	£1,689	-8.0	£1,672
Future July	£1,618.5	-13.0	£1,617.5
CoffeeF't'rJuly	£1,560.5	-14.0	£1,476.5
Cotton A'index	74.95c	+0.35	72.95c
Rubber kilo	59p	-0.5	60.5p
Sugar (Raw)	£96	+1.0	£99
Wooltp's 64s kl	284p		291p

* Nominal. † New crop. ‡ Unquoted. q May-June. s June-July. u June. w Sept. v Per ton. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, May 2.

PRECIOUS METALS closed barely steady on continued Chartist and Commission House selling. Copper remained under pressure to close sharply lower on Commission House liquidation. Sugar finished mixed on light trade and industrial price fixing. Cocoa eased in dull trading, Bache reported.

Copper—May 88.60 (90.50), June 89.10 (91.00), July 89.30-89.60, Sept. 89.80, Dec. 89.70, Jan. 89.75, March 89.80, May 89.85, July 89.90, Sept. 89.95, Dec. 90.00, Jan. 90.00, March 90.00.

Potatoes (round whites)—Nov. 82.5 bid (83.0 asked), March 71.0 bid (71.5 asked), April nil, May 84.0 bid.

§Silver—May 792.10 (780.60), June 799.10 (797.00), July 806.50, Sept. 818.80, Dec. 836.00, Jan. 840.10, March 850.80, May 860.80, July 871.20, Sept. 881.60, Dec. 897.20, Jan. 902.30, March 912.90. Handy and Harman spot 786.00 (799.10).

CHICAGO, May 2.

Lard—Chicago loose not available (27.50 traded). New York prime steam not available (27.50 traded).

¶Wheat—May 383-385 (354½), July 360-362 (348½), Sept. 364-365, Dec. 374-375, March 378, May 381½.

Live Cattle—June 76.95-77.20 (78.40), Aug. 75.00-74.85 (76.25), Oct. 72.50-72.40, Dec. 72.70-72.90, Jan. 72.60 asked, Feb. 72.80 asked, April 72.90, June 72.45 asked, Oct. 71.60 asked. Sales: 33,518.

Live Hogs—June 49.65-49.77 (49.65), July 49.90 (49.45), Aug. 48.90, Oct. 45.60, Dec. 43.85-44.00, Feb. 43.85, April 41.77 asked, June 45.55 bid, July 43.80 bid. Sales: 6,458.

‡‡Maize—May 265¾-265 (261), July 271¾-271 (267¾), Sept. 274½, Dec. 278-278½, March 284½-285, May 290½-290.

[illegible] 301.8 (204.8), Sept. 202.0, Nov. 201.0.

Jan. 200.0, March 204.5 asked, July 204.5 asked, Sept. 204.5 asked.

Pork Bellies—May 61.35-61.55 bid (62.55), July 60.30-60.15 (60.62), Aug. 57.55-57.40, Feb. 55.35-55.20 asked, March 54.85, May 55.10 asked, July 55.10 asked, Aug. 54.05 asked. Sales: 5,237.

Shell Eggs—May 55.10 (55.15), June 56.60 (55.65), July nil, Aug. nil, Sept. 60.55 bid, Oct. nil, Nov. nil, Dec. 63.00. Sales: 119.

§Soyabeans—May 730 (718¾), July 745¼-745 (730¾), Aug. 745-743¼, Sept. 733¼-734, Nov. 721-720½, Jan. 730-729, March 741-740, May 748.

§Soyabean Meal—May 189.80-190.20 (186.20), July 196.00-195.70 (192.60), Aug. 197.50, Sept. 196.50, Oct. 195.00-195.50, Dec. 195.80, Jan. 197.00, March 199.00, May 201.00-201.50.

Soyabean Oil—May 262.5-262.0 (259.2), July 265.5-266.0 (262.8), Aug. 265.5-265.8, Sept. 262.8-263.0, Oct. 260.0, Dec. 256.5-256.8, Jan. 256.0-256.5, March 256.0-256.8, May 257.5, July 256.0-257.0.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. † Cents per troy ounce. ‡‡ Cents per 56-lb bushel. ¶ Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

Tuesday's closing prices

NEW YORK, May 1.

Cotton—No. 2: May 61.80, 62.00 asked (61.50), July 63.45-63.59 (62.92), Oct. 64.50-64.55, Dec. 63.88-63.90, March 64.65-64.70, May 65.45 bid-65.50 asked, July 66.66 bid-66.80 asked, Oct. 67.65 bid.

*Gold—May 245.60 (247.00), June 247.80 (249.20), July 249.00, Aug. 252.10, Oct. 256.50, Dec. 260.90, Feb. 265.30, April 269.70, June 274.10, Aug 278.50, Oct. 283.00, Dec. 287.60, Feb. 292.20.

Orange Juice—May 104.60 (106.20), July 106.80 (108.40), Sept. 106.50, Nov. 102.00, Jan. 98.40, March 98.80, May 99.25, July 99.60, Sept. 99.75.

Tin—686.00-700.00 nom (690.00-700.00 nom.). Spot 688.00-700.00 asked (690.00-700.00).

CHICAGO, May 1.

‡Wheat—May 354¾-355 (353¾), July 346½-346¼ (347½), Sept. 347-347½, Dec. 357¾-357½, March 364¾-365, May 367¼.

WINNIPEG, May 1. §Rye—May 101.60 bid (101.50), July 104.60 bid (103.80-101.04), Oct. 105.80 bid, Dec. 104.20 bid.

§Barley—May 95.40 (92.60 bid), July 91.50 (89.60 bid), Oct. 91.20-91.30, Dec. 89.60, March 90.10 asked.

§Oats—May 87.10-87.20 (86.40), July 85.80 bid (84.40 bid), Oct. 86.50 bid, Dec. 85.80 asked, March 86.60 asked.

§Flaxseed—May 313.00 asked (322.00 asked), July 309.40-309.60 bid (319.00 asked), Oct. 304.00 bid, Nov. 302.50 asked, Dec. 296.00 asked.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 183.10 (same).

EUROPEAN MARKETS

ROTTERDAM, May 2.

U.S. No. 2 Dark Hard Winter wheat, 13.5 per cent, unquoted. U.S. Hard Winter wheat ordinary June $158, July $154, Aug. $154, Sept. $155. U.S. No. 2 Red Winter wheat May $160, June $158, July $156, Aug. $156, Sept. $155. U.S. No. 2 Northern Spring wheat, 14 per cent, May $158, June $158, July $157, Aug. $157, Sept. $158.

Maize—U.S. No. 3 Corn yellow afloat $128.50, April $129.25, May $129.25, June $130.25, July-Sept. $131, Oct.-Dec. $132.50, Jan.-March $138.

Sorghum—U.S./Plate spot $120, April $116, May $111, June $112.

Barley—1/2 Canadian feed May $115, June $116.

Soyabeans—U.S. Two Yellow Gulf ports afloat $293, May $295, June $296.50, July $297.50, Aug. $297, Sept. $298, Oct. $286.25, Nov. $284.75, Dec. $289, Jan. $291.50, Feb. $296, March $297.50, April $229, May $300. Brazil unquoted. Argentine June $284, July-Aug $284.25.

Soyameal—44 per cent protein, U.S. afloat $232.50, May $232.50, traded afloat $232.50, May $232.50, June $232.50, May-Sept. $233.50, Nov.-March $240, sellers. Brazil pellets afloat $234, April-May $234, June $235, May-Sept. $238, Nov.-March $248.

PARIS, May 2.

Cocoa (FFr per 100 kilos)—May 1415-1420, July 1425-1449, Sept. 1460-1463, Dec. 1485-1500, March 1500-1540, May 1500-1540. Sales at call 5. Accumulative total 73.

Sugar (FFr per 100 kilos)—July 905-930, Aug. 935-939, Oct. 975-985, Nov. 975-985, Dec. 1010-1025, March 1045-1055, May 1055-1075, July 1075-1090. Sales at call nil.

INDICES

FINANCIAL TIMES

May 1	Apr. 30	M'nth ago	Year ago
277.01	277.11	269.43	239.59

(Base: July 1, 1952=100)

MOODY'S

May 1	Apr. 30	M'nth ago	Year ago
1053.9	105.42	1057.0	902.5

(December 31, 1931=100)

DOW JONES

Dow Jones	May 1	Apr. 30	Month ago	Year ago
Spot	392.73	388.45	379.91	359.12
F'tur's	394.81	392.44	386.73	346.98

(Average 1924-25-26=100)

REUTERS

May 2	May 1	M'nth ago	Year ago
1561.7	1565.5	1551.0	1453.6

(Base: September 18, 1931=100)

INSURANCE BASE RATES

† Property Growth 11¼%

† Vanbrugh Guaranteed 10.12%

† Address shown under Insurance and Property Bond Table.

CORAL INDEX: Close 548-553

Election confidence returns after Tuesday's shake-out

30-share index regains 7.8 to 544.8—Gilts also recover

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Apr. 23	May 3	May 4	May 15
May 8	May 17	May 18	May 30
May 21	May 31	June 1	June 12

* "New time" dealings may take place from 9.30 am two business days earlier.

Investors' confidence about the Conservative's election chances appeared to return yesterday after the stock market's recent ebullience was rudely shattered on Tuesday by an opinion poll suggesting that Labour had edged into a slight lead. Some small investors, however, still remained nervous about the situation and decided to take profits built up over the past few weeks. But sufficient demand on bear covering and of a book-squaring nature more than offset the selling.

After the early technicalities had been completed, most dealers showed a disposition to maintain level books, where possible, ahead of the final opinion polls and the election itself. Business was therefore restricted to a degree, but leading shares furthered the earlier upturn in an extremely quiet afternoon session and, in index terms, finally regained more than half the previous day's sharp losses.

Reflecting the absence of the poll which had been rumoured late on Tuesday to find even more favourably for Labour, leading equities opened higher and the FT 30-share index was 3.3 up at the first calculation, 5.3 better an hour later and in the after-hours' trade extended the recovery to 7.8 at 544.8. Official markings, at 7,116, were slightly up on the previous day's 7,037.

Awaiting today's events, British Funds regained various amounts extending from ¼ to ⅞ with sentiment helped to some extent by a favourable reading of the latest UK official reserve figures. Much of the demand represented either bear-covering or book-squaring, little business being of a genuine investment nature. Shorter maturities were more prone to reactionary tendencies than the longs, but all securities eased a shade in the very late trade.

Lower opening rates for investment currency drew in arbitrage and other buyers with the result that the premium rallied from 58¼ per cent to close a net 1¾ points higher at 60⅞ per cent. Business throughout was thin and sellers became noticeably reticient in the later trading. Yesterday's SE conversion factor was 0.7832 (0.7988).

With the annual results due on Tuesday, Marks and Spencer captured the limelight in Traded options and contributed 300 of the total of 1,400 deals which compares with the previous day's 1,221 and last week's daily average of 1,699.

Nat. & Comm. down

National and Commercial closed 5 down at 102p, after 99p, following first-half profits which fell £7m short of market expectations. Barclays, however, retrieved 12 to 500p, while Lloyds rallied 13 to 345p as did also Midland to 445p and NatWest to 385p. Overseas issues made progress with ANZ 15 better at 300p

Insurances encountered selective investment support. Hogg Robinson put on 8 to 144p and Sun Alliance 14 to 664p.

Breweries closed around the day's best as institutional buying lifted prices from Tuesday's depressed levels. Whitbread at 136p, recovered 4 of the previous day's fall of 9, while Guinness firmed a few pence at 207p. Distilleries too, ended in firmer mood, Highland rising 5 to 98p, and Distillers adding 4 to 245p. Macdonald Martin hardened 10 to 620p in a narrow market following the annual results.

Scattered buying interest was evident in the Building sector. Contrasting issues to make headway included Taylor Woodrow, 8 dearer at 438p, R. Costain, 4 up at 208p, and Geo. Wimpey, a penny firmer at 96p, the last-named ahead of today's preliminary statement. Elsewhere, BPB edged up 6 to 328p, while good annual results prompted a gain of 2½ to 34½p in Allied Plant. F. J. C. Lilley closed 2 harder at 89p following the announcement of its agreed bid worth 125p cash for ACE Machinery, recently suspended at 110p. Blue Circle firmed 6 to 330p in the leaders. Against the trend, Brown and Jackson dipped 27 to 583p following adverse Press mention.

Annual results at the higher range of estimates enlivened buying interest in Laporte which moved up 9 to 128p.

Leading Stores took part in the general rally. Ahead of next Tuesday's annual results, Marks and Spencer, at 123p, retrieved 4 of the previous day's fall of 7, while renewed speculative interest lifted Burton A 8 to 308p. Secondary issues were more irregular with Dixons Photographic notable for an improvement of 5 to 157p.

Electrical leaders ended on a firm note after looking a little uncertain at one stage. GEC improved 8 to 434p and EMI closed 3 to the good at 139p. Secondary issues presented a mixed appearance, although the tendency here was also to higher levels in the late dealings. Press mention stimulated fresh demand for Brocks which gained 7 to 153p. Eurotherm were also noteworthy for a gain of 8 to 330p, while other bright spots included Fidelity Radio, up 4 further at 91p.

Among Engineering leaders, John Brown, at 571p, retrieved 10 of the previous day's fall of 18 and GKN picked up 6 to 295p, the latter following the annual report. Elsewhere, Edgar Allen Balfour eased to 50p before closing 2 off at 55p on the small overall loss last year and the absence of a final dividend. Wagon Industrial dipped 5 to 160p, but a revived speculative interest lifted Avery 4 to 248p. A. Cohen put on 10 to 245p, while improvements of 6 and 5 respectively were seen in APV, 228p, and Ash and Lacy, 182p.

Isolated firm features among the Food leaders included J. Sainsbury, 5 up at 347p, and Tate and Lyle, which improved 4 to 156p. Associated Dairies put on 8 to 290p in a thin market. Press reports that a small stake had been acquired in the company lifted Chambers and Fargus 2 to 25p. Awaiting today's interim results, British Sugar hardened 3 to 167p.

Grand Metropolitan fared best in Hotels with a rise of 4 to 171p.

The miscellaneous Industrial leaders regained composure after Tuesday's weakness. Boots rallied 8 to 230p as did Unilever to 68p, while Beecham gained 6 to 723p and Glaxo 4 at 507p. Scottish and Universal Investments hardened a penny more to 193p, after 296p, on further consideration of the Family Trustees and Fraser Foundation's decisions not to accept Charterhouse Japhet's 200p per share offer but to recommend Lonrho's original bid, currently worth 195p per share. Elsewhere, Minty rose 10 to 140p in response to the sharp increase in annual profits and return to the dividend list, while Clement Clarke edged forward a penny to 128p following the results and proposed one for three scrip-issue. Down 20 since last Friday's shock announcement of an annual deficit and dividend cut, Hestair recovered 4 to 47p. Henry Boot picked up 2 to 90p in front of today's results, while Booker McConnell gained 5 to 345p as did Thomas French to 90p. Still drawing strength from recent Press comment, Mysón put on 3 to 80p.

In contrast, Hang Seng Bank

Further consideration of the sharply higher mid-term profits lifted Samuelson Film Service 12 to 230p. Photax (London), 47p, and Saga Holidays, 187p, added 3 and 5 respectively, but Pleasurama lost 5 to 182p.

With the Takeover rules preventing Rockwell from increasing its 115p per share offer for at least a year, Wilmot-Breeden eased a couple of pence to 112p following the company's reluctant acceptance of the bid. Other Motor Components closed narrowly higher, Lucas putting on 5 at 292p.

Properties plotted an irregular course in thin trading. The leaders made some progress with MEPC closing 5 dearer at 195p and Land Securities 7 better at 305p.

Oils fluctuate

Oil shares tended to move erratically before ending on a firm note. Shell touched 784p initially before reacting to 776p and improving afresh to settle at 782p for a rise of 8 on the day. British Petroleum, however, rarely strayed far from the overnight close of 1,212p and finished at that level. Among secondary issues, Oil exploration came on offer and shed 6 to 248p, but Ultramar ended 4 up at 308p, while Tricentrol ended similarly better at 234p.

Losses were fairly widespread throughout Trusts, Derby income reacting 8 to 238p.

Better-than-expected annual results and relief that the final dividend payment had been maintained left P. and O. Deferred 2½ to the good at 87½p, after 91p. Elsewhere in Shippings Furness Withy hardened a penny to 264p following preliminary figures in line with expectations.

Textiles traded quietly with few movements of note. Shiloh Spinners held at 42p despite the doubled profits and increased dividend.

Richards on the other hand gave up a like amount at 22p; the interim results are due today.

Plantations closed firmly following a bout of heavy buying from far-eastern sources. Highlands rose 4 at 116p, while Kulim hardened 1½ at 52p. Kuala Selangor, 240p, and Hongkong (Selangor), 440p both put on around 40 after satisfactory trading statements.

MIM Holdings improve

A further improvement in overnight Sydney and Melbourne markets coupled with the further rise in the investment premium prompeted widespread rises in Australian mining issues. MIM Holdings were particularly wanted as the sharp increase in third-quarter profits encouraged a gain of 11 to 226p.

The recent surge in the nickel price on the London Metal Exchange saw Western Mining put on 4 more at 162p, while Metals Exploration added a penny at 54½p. The more speculative issues, however, came under light selling pressure, although Northern Mining were a notable exception with a rise of 5 to 73p.

South African Golds traded quietly with prices slightly firmer owing to the higher premium. The Gold Mines index put on 1.8 to 154.7 but the ex-premium index eased 0.9 to 121.2.

Heavyweights attracted modest support which left Randfontein a half-point to the good at £27⅜ and Vaal Reefs a like amount up at £15½. Lower-priced issues were barely changed. South African Financials edged higher with "Amgold" ½ harder at £16⅛ in front of the chairman's statement which is expected today. Middle Wits rose 5 to a 1979 high of 270p.

London-domiciled Financials were featured by the continued strength of Rio Tinto-Zinc, which advanced 8 more to a 1979 high of 348p. Other London Financials, however, failed to attract much attention. Gold Fields slipped 2 to 238p while Selection Trust eased 6 to 544p, the latter in front of the annual report which is published today.

Coppers and Platinums were featureless but Tins moved ahead in line with the currency. Following Far Eastern buying, Pengkalen were outstanding with a 10 gain to a 1979 high of 90p, while rises of 5 were common to Berjuntai, 230p, Malayan Tin, 405p, Petaling, at £15½, a 1979 peak of 250p, and Sungei Besi, 280p.

FT Actuaries

The use of an incorrect price for one of the constituent stocks led to errors yesterday in the British Government Over 15 years and All Stocks indices. These should have been shown at 128.47, down 0.33, and 118.74, down 0.31, respectively.

The three yields on Medium Coupon stocks were also in error and these have been amended in today's display.

FINANCIAL TIMES STOCK INDICES

	May 2	May 1	April 30	April 27	April 26	April 25	A year ago
Government Secs.	75.32	75.08	75.34	74.99	74.80	74.85	71.43
Fixed Interest	77.25	77.15	77.19	76.97	76.82	76.78	73.93
Industrial	544.8	537.0	551.2	547.9	546.9	552.7	471.9
Gold Mines	154.7	152.9	150.4	150.1	155.6	151.5	142.5
Gold Mines(Ex-$ pm)	121.2	122.1	121.2	121.8	121.9	120.2	96.3
Ord. Div. Yield	5.34	5.41	5.26	5.32	5.31	5.26	5.69
Earnings,Yld. % (full)	14.32	14.50	14.14	14.24	14.34	14.09	17.15
P/E Ratio (net) (*)	8.96	8.84	9.06	9.00	9.00	9.09	7.80
Dealings marked	7,116	7,037	6,494	6,271	6,193	6,620	5,330
Equity turnover £m	—	123.64	104.79	105.81	122.83	124.07	100.17
Equity bargains total	—	24,589	22,749	20,801	24,831	30,881	17,935

10 am 540.3. 11 am 542.3. Noon 542.6. 1 pm 541.8. 2 pm 541.9. 3 pm 542.2.

Latest Index 01-246 8026.

* Nil=8.69.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.84 (12/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.34 (17/4)	66.03 (10/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	552.7 (25/4)	446.1 (12/2)	562.7 (14/9/77)	49.4 (26/6/40)
Gold Mines	183.8 (4/1)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines $ Ex-pm.	125.6 (26/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	May 2	May 1
—Daily		
Gilt Edged	135.5	181.2
Industrials	269.7	277.8
Speculative	46.4	38.9
Totals	162.0	160.5
5-day Av'r'ge		
Gilt Edged	116.1	106.0
Industrials	254.0	245.0
Speculative	43.9	43.7
Totals	150.7	143.8

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1200	112	1	138	—	182	—	1212p
BP	1300	50	42	92	—	124	5	"
Com. Union	160	28	1	31	—	34	-	175p
Com. Union	180	14	43	18	—	22	1	"
Cons. Gold	220	28	6	37	-	49	—	238p
Cons. Gold	240	18	14	27	-	33	—	"
Cons. Gold	260	12	43	17	19	23	—	"
Courtaulds	100	15	5	17	17	18	—	106p
Courtaulds	110	9	20	12	10	14	—	"
Courtaulds	120	5½	5	7	1	[illegible]	—	"
Courtaulds	130	3	12	—	—	—	—	"
GEC	390	72	—	99	3	113	—	431p
GEC	420	47	6	75	—	93	—	"
GEC	460	27	51	49	—	62	—	"
Grand Met.	130	47	4	49	10	—	—	160p
Grand Met.	140	37	36	39	—	—	—	"
Grand Met.	150	26	24½	36	2	33	—	"
Grand Met.	160	13½	94	17½	2	24	—	"
ICI	390	23	3	24	2	54	—	401p
ICI	420	16	25	24	2	35	—	"
Land Secs	280	48	8	55	—	65	—	306p
Land Secs	300	35	51	45	—	56	—	"
Land Secs	330	19	20	28	—	41	—	"
Marks & Sp.	70	59	2	—	—	—	—	123p
Marks & Sp.	80	31	3	54	—	—	—	"
Marks & Sp.	110	24	1	27	—	35	—	"
Marks & Sp.	120	15	81	18	2	29	—	"
Marks & Sp.	130	12	31	12	20	22	—	"
Marks & Sp.	150	15	232	17	2	22	10	"
Shell	700	125	10	148	—	173	—	784p
Shell	750	85	4	105	1	141	—	"
Shell	800	58	55	78	1	111	4	"
Totals			795		73		27	
		May		**August**		**November**		
BOC Intl.	70	13	1	16	—	21	—	78p
BOC Intl.	80	6½	57	10½	59	16	—	"
Boots	180	52	10	—	—	—	—	227p
Boots	200	32	1	37	—	44	—	"
Boots	220	15	2	22	14	30	—	"
Boots	240	7	57	15	3	21	—	"
Boots	260	3½	33	—	—	—	—	"
EMI	120	21	6	29	23	36	—	138p
EMI	130	15	18	28	—	33	—	"
EMI	140	8	19	—	5	26	—	"
EMI	160	2½	7	7½	—	—	—	"
Imperial Gp	100	8½	6	13	—	14	12	104p
Imperial Gp	110	4	15	8½	6	10	—	"
RTZ	240	110	—	118	9	—	—	346p
RTZ	300	50	21	72	8	92	—	"
RTZ	330	28	70	50	12	75	—	"
RTZ	360	14	12	38	28	56	6	"
Totals			328		167		17	

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7
May 15	May 29	Aug. 9	Aug. 21

For rate indications see end of Share Information Service

Money was given for the call of Premier Oil, Marks and Spencer, Burmah, Ladbroke, Land Secs., Siebens (UK), Charterhall, Lonrho, UDT, New Throgmorton Warrants, Unigate, ICI, NatWest Warrants, Dunlop, Shell, Spillers, GEC, Grand Met., Westminster Props., Tricentrol, Arthur Bell, Highland Distillers, House of Fraser, Lex Service, Burton Warrants and Lee Cooper. Puts were dealt in Charterhall, Premier Oil, William Press, New Throgmorton Warrants, Ultramar, GEC, P and O, EMI, Grand Met., ICI, Hunting Petroleum and Burmah, while double options were arranged in Premier Oil, Siebens (UK), Ladbroke Warrants, New Throgmorton Warrants, Lonrho, UDT, Bolton Textile and Marks and Spencer.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Shell Transport	25p	13	782	+8	798	556
BATs Defd.	25p	11	300	+5	337	250
BP	£1	11	1,212	—	1,238	882
ICI	£1	11	402	+3	410	346
Barclays Bank	£1	10	500	+12	505	380
Grand Met.	50p	10	171	+4	175	112
Marks & Spencer	25p	10	123	+4	131	83
RTZ	25p	10	348	+8	348	226
Unilever	25p	10	648	+8	650	520
Beecham	25p	9	723	+6	735	592
GEC	25p	9	434	+8	438	311
NatWest Bank	£1	9	385	+13	392	278
Ward White	25p	9	135	+14	135	91
GUS A	25p	8	432	+4	433	302
BOC Intl.	25p	7	78	—	79	65

STOCK EXCHANGE BUSINESS LAST MONTH

Equity turnover fails to keep pace with March boom

BY GEOFFREY FOSTER

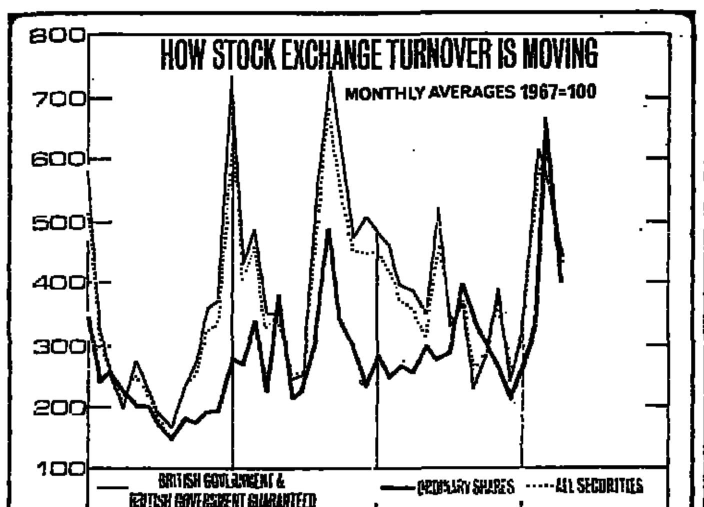
TURNOVER of £2.2bn in the equity market in April fell well below March's £3.74m, which was the highest on record.

The fall in business, just over 40 per cent in money terms, partly reflected three fewer trading days in April than in March. The Financial Times turnover index for ordinary shares receded to 397.7 in April compared with the 667.3 recorded in March but was still substantially above the 1978 average of 285.7. The number of bargains transacted decreased by 209,466 on the month to 451,982 and the average value per bargain contracted by £723 to £4,931.

Equity prices, however, took March's gains a substantial stage further. Quotations of industrial companies reached all-time record levels as institutional and public buying on hopes of a Conservative victory in the general election found stock in short supply.

After rising 48 points in March, the FT Industrial Ordinary Share index rose a further 30.5 points last month to end April at 551.3, after recording a closing all-time peak of 552.7 on April 25. The end-month index represented a jump of just over 105 points from its 1979 low of 446.1 recorded 11 weeks earlier.

Business in gilt-edged securities also contracted, falling £3.17bn, or 23 per cent, to £10.4bn. A fall of £1.82bn in longer- and medium-dated securities, to £3.98bn, was the main feature, turnover in the short-dated stocks decreasing by £1.3bn to £6.4bn. The number of gilt-edged bargains fell by 21,761 to 63,601, with a 12,750 fall to 40,813 taking place in longer-dated issues. Bargains in the shorts fell by 9,011 to 22,788.



Gilt-edged prices ruled firm throughout April for much the same reasons as equities, but the other major influence behind the increased values was the persistent strength of sterling which rose to $2.1020 at one stage during the month.

Up 4.68 points in March, the FT Government Securities Index reached a peak for 1979 of 75.84 before closing the month a fraction better at 75.34, which is 10.70 points up on last February's two-year low of 64.64.

Overall, trade in securities fell by £5.4bn on the month to £14.2bn and the total number of bargains transacted dropped 251,223 to 562,600. The turnover index for all securities decreased to 435.5 from 601.2 the previous month. The 1978 average was 354.3.

Gold shares moved lower in the first two weeks of April in sympathy with a fresh fall in the investment currency premium but then rallied later on the U.S. decision to halve the amount of gold offered at its monthly auctions. From an end-March level of 154.9, the FT Gold Mines Index eased to a 1979 low of 129.9 on April 17 before picking up to close the month at 150.4, a net 4.5 points down on balance.

Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	6,438.7	45.3	22,788	4.1	338.9	282,549	1,199
Others	3,979.2	28.0	40,813	7.3	209.4	97,498	2,148
Irish Government:							
Short dated (having five years or less to run)	435.4	3.1	1,265	0.2	22.9	344,230	67
Others	514.7	3.6	1,917	0.3	27.1	268,495	101
UK local authority	419.6	2.9	7,167	1.3	22.1	58,545	377
Overseas Govt., provincial and municipal	24.0	0.2	1,571	0.3	1.3	15,310	83
Fixed interest stock, pref. and preferred ordinary shares	171.0	1.2	35,097	6.2	9.0	4,871	1,847
Ordinary shares	2,228.3	15.7	451,982	80.3	117.3	4,931	23,789
TOTAL	14,211.5	100.0	562,600	100.0	*748.0	*25,260	*29,611

* Average of all securities.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (72)

BANKS (3)
Gerrard & National — Schroders
Midland 10pc 93-98

BEERS (2)
Marston Thompson — Wolvrhmtn. & Dudley
Tomatin

BUILDINGS (7)
Allied Plant — Redland
Crouch Group — Taylor Woodrow
Fairclough Constr. — Warrington
Hewden Stuart

CHEMICALS (1)
Laporte Inds.

DRAPERY AND STORES (7)
British Home Stores — Harey Furnish. A NV
Dewhurst — Kitchen Queen
Dixons Photo. — Knott Mill
Executex

ELECTRICALS (4)
Allied Insulators — Fidelity Radio
Automated Security — Philips Fin. 5¾pc

ENGINEERING (5)
Adwest Group — Spear & Jackson
Ash & Lacy — Spencer Clark
Cohen (A.)

FOODS (2)
Alpine Soft Drinks — Danish Bacon 'A'

INDUSTRIALS (9)
Berwards — Howard Tenens
Booker McConnell — Mysón
Brady Inds. 'A' — Riley (E. J.)
Brook St. Bureau — Transport Dev.
Clarke (Clement)

INSURANCE (1)
Sun Alliance

LEISURE (2)
Samuelson Film — Ulster TV 'A'

MOTORS (2)
Automotive Products — Supra Group

NEWSPAPERS (1)
Sharpe (W. N.)

PAPER (1)
Croston (Sir J.)

PROPERTY (1)
Slough Ests. 10pc Cnv. 1990

SHIPPING (1)
Reardon Smith 'A'

SHOES (2)
Newbold & Burton — Ward White

TEXTILES (2)
Parkland 'A' — Tootal

TOBACCOS (1)
Rothmans Intnl.

TRUSTS (6)
Camellia Invests. — Gresham House
Channel Islands Cap. — Investing in Success
Equity Consort Defd. — Dalgety

OILS (3)
Clyde Oil — Ranger Oil
Cluff Oil Conv. 'A'

RUBBERS (4)
Bertam Cons. — Chersonese
Castlefield — Muar River

MINES (4)
Midlo Wits. — Petaling
Pengkalen — RTZ

NEW LOWS (11)

AMERICANS (2)
Hutton (E. F.) — U.S. Steel

DRAPERY AND STORES (1)
Audiotronic

ELECTRICALS (1)
Scholes (G. H.)

ENGINEERING (2)
Allen (E.) Balfour
Lesney Products — Rotaprint
Negretti & Zambra

INSURANCE (1)
Combined Insur. of America

TEXTILES (2)
Coats Patons — Nova (Jersey)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	67	1	15
Corpns. Dominion & Foreign Bonds	7	6	51
Industrials	290	362	781
Financial and Prop	78	234	135
Oils	13	7	18
Plantations	11	2	23
Mines	64	17	30
Others	51	21	105
Totals	601	650	1,158

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or -	Div.	Times Covered	Gross Yield	P/E Ratio
‡95	F.P.	—	195	150	‡‡Appl. Computer	185	-5	[illegible]	[illegible]	[illegible]	[illegible]
‡115	F.P.	—	155	137	‡‡Baker (John)	150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	37½	42½	Bank Bridge 10p	47½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	16/2	170	118	Hunting Assoc.Defd.	177	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or -
99½	F.P.	—	99½	99½	Cleveland County of Var. Rate 1984	99½	
—	F.P.	—	53½	52½	Eng. Assoc. Sterling Fd. Part. Red. Prf.	52½	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley Water 8% Red. Prf. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	MEPC 8% Conv. Uns. Ln. 1995-2000	[illegible]	[illegible]
100	Nil	[illegible]	[illegible]	[illegible]	Slough Ests. 8% Cnv. 1991-94	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Tricentrol 10% Prf.	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or -
20	F.P.	4/5	22½	20	Abercom Invs.	20½	
175	F.P.	18/5	20½	18½	Armour Trust	19	
185	F.P.	5/6	235	222	Beatson Clark	235	
180	F.P.	8/6	215pm	212pm	Brent Chemicals	214pm	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Crest Nicholson	[illegible]	
26	Nil	—	5pm	4pm	Davis & Metcalfe 'A'	5pm	
85	F.P.	—	103	89	Hirst & Mallinson	103	
185	F.P.	18/5	210	206	Johnson Matthey	210	
—	F.P.	8/5	9	8	Maddock	8	
34	F.P.	24/4	59pm	49pm	Norfolk Cap. Hotels	52	
25	F.P.	19/4	74pm	68pm	Park Place Invs.	68	
20	F.P.	27/4	32	27½	Singlo Holdings	31	
100	F.P.	27/4	122	115	Unicorn Inds.	121	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Wed., May 2, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues. May 1 Index No.	Mon. April 30 Index No.	Fri. April 27 Index No.	Thurs. April 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	278.86	+0.7	15.15	4.97	8.62	276.87	282.00	279.80	280.19	208.56
2	Building Materials (27)	260.01	+0.7	15.61	5.28	8.55	258.14	262.56	260.96	261.38	186.41
3	Contracting, Construction (28)	431.98	+0.9	18.43	4.82	7.54	427.89	435.01	432.63	433.67	335.13
4	Electricals (14)	661.48	+0.3	13.54	2.83	9.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	419.23	-0.3	17.13	5.46	7.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (75)	205.15	+0.3	16.76	5.62	7.83	204.62	208.25	206.57	207.31	166.13
8	Metals and Metal Forming (16)	187.72	+0.6	16.21	8.28	7.96	186.56	189.05	188.22	188.35	168.42
11	CONSUMER GOODS (DURABLE)(53)	251.20	—	13.99	4.33	9.49	251.14	255.09	253.38	253.15	194.76
12	LL Electronics, Radio, TV (16)	341.86	-0.2	11.09	3.10	12.76	342.46	346.92	344.40	344.65	231.31
14	Household Goods (12)	176.27	-0.3	15.70	6.77	8.52	176.83	178.15	177.83	176.40	171.59
15	Motors and Distributors (25)	129.08	+0.5	19.96	6.47	6.19	128.39	131.40	130.55	130.17	122.14
21	CONSUMER GOODS (NON-DURABLE) (170)	260.63	+1.2	13.82	5.06	9.37	257.47	264.44	265.83	262.50	201.78
22	Breweries (14)	289.11	+1.2	13.19	5.20	9.61	285.57	297.74	294.99	295.92	230.24
23	Wines and Spirits (6)	340.77	+1.2	13.74	4.39	10.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	365.60	+1.3	12.96	5.24	10.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	231.29	+0.7	16.75	4.91	7.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	316.58	+1.1	10.17	3.73	13.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	471.10	+0.3	19.74	5.44	7.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	150.80	-0.3	17.13	7.23	7.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (40)	262.24	+1.9	9.93	3.72	13.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (25)	183.53	+0.5	17.94	8.33	7.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	276.24	+1.1	20.61	7.45	5.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	87.29	-0.6	25.51	7.59	4.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	227.22	+0.2	13.93	5.65	8.92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	299.22	+0.6	15.68	6.35	7.46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Pharmaceutical Products (7)	270.84	+0.8	9.97	4.38	12.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Office Equipment (6)	146.87	-0.1	13.81	5.59	9.13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Shipping (10)	462.71	+1.1	9.06	6.58	15.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Miscellaneous (58)	259.16	-0.4	15.39	5.74	8.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP(494)	264.32	+0.8	14.71	5.24	8.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils(6)	680.79	+0.5	11.47	3.18	9.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	298.91	+0.7	13.73	4.79	9.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP(115)	214.57	+1.0	—	4.82	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks(6)	259.22	+2.5	25.69	4.67	5.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	265.60	+0.2	—	6.65	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	196.41	+0.4	16.33	4.50	7.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	175.31	+0.1	—	5.64	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (8)	152.75	+0.3	—	6.06	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	326.70	+0.1	15.39	5.88	9.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	100.55	-0.3	—	6.18	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (42)	360.77	+0.7	3.12	2.25	49.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	192.73	-0.2	14.99	6.26	7.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (111)	242.47	-1.2	—	4.57	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	142.67	+0.9	14.06	5.51	8.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	348.06	+0.1	13.65	6.86	9.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	275.38	+0.7	—	4.84	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed., May 2	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	108.06	+0.10	—	3.01
2	5-15 years	123.25	+0.38	—	2.90
3	Over 15 years	128.96	+0.38	—	4.95
4	Irredeemables	137.44	+0.30	—	6.87
5	All stocks	119.06	+0.27	—	3.73

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

			Wed., May 2	Tues., May 1	Year ago (approx.)
1	Low Coupons	5 years	9.25	9.28	8.44
2		15 years	10.16	10.16	10.18
3		25 years	10.80	10.75	11.32
4	Medium Coupons	5 years	10.73	10.77	10.76
5		15 years	11.35	11.36	11.65
6		25 years	11.46	11.46	12.06
7	High Coupons	5 years	11.09	11.15	11.56
8		15 years	11.77	11.84	[illegible]
9		25 years	11.88	11.92	[illegible]
10	Irredeemables		10.56	10.59	11.83

		Wed., May 2 Index No.	Yield †	Tues. May 1	Mon. April 30	Fri. April 27	Thurs. April 26	Wed. April 25	Tues. April 24	Mon. April 23	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	61.58	12.06	61.51	61.47	61.43	61.31	60.75	60.75	60.70	58.45
16	Investment Trust Prefs. (15)	51.45	13.80	51.45	51.45	52.81	53.07	52.93	52.93	52.93	54.89
17	Coml. and Indl. Prefs. (20)	71.33	12.78	75.34	75.17	76.20	75.17	76.36	76.61	76.05	71.17

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Gilt Int. Tst.	110.2	116.0	+0.1	3.05
Abbey Capital	40.7	43.3	-0.1	4.13
Abbey Income	47.6	50.6	-0.2	6.01
Abbey Inv. Tst. Fd.	41.6	44.3	-0.3	4.44
Abbey Gen. Tst.	55.5	59.0	-0.1	3.95
Equitas Prog. Tst.	74.8	78.9	.....	4.29

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	99.2	104.4	.....	12.42

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	80.6	86.2	-0.3	4.83
Brit. Inds. Fund	78.4	83.9	-0.5	4.77
Grth. & Inc.	44.8	47.9	-0.3	4.59
Elect. & Ind. Dev.	41.9	44.8	-0.2	4.15
Allied Capital	84.1	90.0	-0.4	4.02
Hambro Fund	129.6	138.7	-0.8	4.67
Hambro Acc. Fd.	149.8	160.3	-0.8	4.09
Income Funds				
High Yield Fd.	81.6	87.3	-0.7	7.62
High Income	76.4	81.7	-0.6	6.51
A. H. Eq. Inc.	45.4	48.6	-0.2	6.58
International Funds				
International	26.2	28.0	+0.2	2.87
Pacific Fund	38.9	41.6	+0.2	2.14
Secs. Of America	55.6	59.5	+0.3	1.93
Specialist Funds				
Smaller Co.'s Fd.	48.7	52.1	-0.2	3.65
2nd Smlr. Co's Fd.	60.2	64.4	-0.3	3.88
Recovery Sits.	117.3	125.5	-0.7	4.38
Met. Min. & C'dty.	48.6	52.0	.....	4.40
Overseas Earnings	68.1	72.9	-0.2	3.98
Exempt Funds				
Far East Exempt	44.9	46.7	+0.2	2.14
Smaller Co. Exempt	76.2	80.0	-0.4	4.06
U.S.A. Exempt	97.8	101.7	+0.4	2.16

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	52.0	55.6	-0.1	4.32
Do. Accum.	69.7	74.5	-0.1	4.32

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital April 26	117.6	119.7	...	4.18
Gross Inc. April 26	88.5	90.0	...	7.45
High Yield April 26	97.3	100.8	...	8.33

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	108.6	115.5	.....	2.60
Do. Acc.	133.3	141.8	.....	2.60
G.T. Inc. Fd. Un.	177.5	188.8	.....	8.30
G.T. U.S. & Gen.	128.3	136.4	.....	—
G.T. Japan & Gen.	81.3	86.0	.....	2.10
♦Gt. Pens. Ex. Fd.	209.0	218.3	.....	3.00
G.T. Int'l. Fund	155.6	165.5	.....	1.60
G.T. Four Yds. Fd.	62.7	66.7	+2.1	7.60
G.T. Far East & Gen.	45.2	48.5	.....	2.10

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	39.5	42.2	-0.2	4.36

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BPJ 01-283 3531
Dealing only: 01-623 5766/5806

American Tst.	25.4	27.3	+0.1	0.45
British Tst. (Acc.)	67.6	72.7	-0.4	3.30
Commodity Share	182.0	195.7	+0.4	3.32
Extra Income Tst.	27.0	29.0	-0.1	8.02
Far East Trust	33.4	35.7	+0.2	0.23
High Income Tst.	66.9	72.0	-0.3	8.79
Income Fund	86.3	92.6	-0.7	6.18
Ins. Agencies	15.23	16.82	-0.05	3.62
Intl. Exempt Fd.	105.5	114.4	.....	5.88
Intl. Tst. (Acc.)	33.1	35.6	+0.3	0.69

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

N.V. Interbeheer
P.O. Box 526, Delft, Holland

Esmeralda Iss. Pr. DFL	DFl47.87	—	.....	—

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.

Javelin Equity Tst.	A$2.36	2.48	.....	—

J.E.T. Managers (Jersey) Ltd.
P.O. Box 98, Channel House, Jersey. 0534 73673

Jersey Extrnl. Tst.	162.0	172.0	.....	—

As at March 30. Next sub. day April 30.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$318.08	.....	2.40
Jardine J'pn.Fd.*	HK$402.45	.....	0.90
Jardine S.E.A.	US$16.99	.....	2.10
Jardine Flem.Int.	HK$12.89	.....	0.70
Intl.Pac.Secs.(Inc.)	HK$13.54	.....	1.30
Do. (Accum.)	HK$13.73	.....	—

NAV April 14. *Equivalent US$81.88. Next sub. day April 30.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Conv. Bd. May 1	US$9.66		-0.02	—
Eng. Int. May 1	US$23.18		-0.16	—
Gr. St. $Fd. April 30	$US8.13			—
Merc. Ebd. May 2	US$10.60	10.71	.....	0.3636
MercMnyMkt Apr. 30	£10.70	10.71	+0.03	.....

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy.C1 0534 73741

CMF Ltd. April 26	US$13.76	14.11	.....	2.98
CMT Ltd. April 26	£14.08	14.45	.....	2.80
Metals Tst. April 19	£15.53	15.91	.....	5.46
TMT April 12	$US10.98	11.27	.....	2.84
T.M.T. Ltd. April 12	£11.07	11.36	.....	1.06

World Wide Growth Managementφ
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$17.07	+0.10	—

Wren Commodity Trust
10, St. George's St., Douglas IoM. 0624 25015

Wren Commod. Tst.	58.6	59.1	.....	—

NOTES

Prices do not include $ premium, except where indicated φ, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ## Only available to charitable bodies.

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FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly...	22	......	—	—
40	39	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed......	98	......	—	13.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 27⅝% (based on US$2.0695 per £)
Conversion factor 0.7032 (0.7988)

CANADIANS

S.E. List Premium 27⅝% (based on $2.3627 per £)

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OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

\$13¼	\$10½	Buffels R1	\$13½	+¼	Q190c	ϕ	16.2
\$11¼	890c	East Drie R1	\$10⅝	+⅛	Q115c	1.6	12.5
470c	350c	East Rand Prp. R1	445c	......	Q10c	—	2.7
\$24¼	\$18¼	F.S. Geduld 50c	\$23½	......	†Q315c	2.4	89.2
\$14¾	\$11⅛	Pres. Brand 50c	\$14	−⅛	†Q150c	3.2	12.5
\$14¼	\$10¼	St. Helena R1	\$13	+⅛	Q190c	1.4	16.8
595c	407c	Stilfontein 50c	585c	+5	Q66c	ϕ	13.0
\$24¾	\$18¼	Vaal Reefs 50c	\$24¾	+½	Q280c	2.7	13.0
\$35¼	\$28¾	West Drie R1	\$34½	+¼	†Q385c	1.7	12.9
\$30⅞	\$22¼	West Hldgs. 50c	\$30	−⅛	†Q415c	1.4	16.2
\$13	\$10⅜	Western Deep R2	\$11⅝	+¼	Q167½c	2.1	14.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ⁑ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✱ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 42

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	29	......	Sheff. Refrshmt.	85	......
Ash Spinning	105	......	Sindall (Wm.)	142	......
Bertam	27	......			
Bdg'wtr. Est. 50p	410	......	**IRISH**		
Clover Croft	28	......			
Craig & Rose £1	£10⅞	......	Conv. 9% '80/82	£92¼	......
Dyson (R. A.) A	35	......	Alliance Gas	103	......
Ellis & McHdy	70	......	Arnott	385	......
Evered	30xd	+2	Carroll (P.J.)	105	......
Fife Forge	54	......	Clondalkin	90	......
Finlay Pkg. 5p	20xd	......	Concrete Prods.	92	......
Graig Ship. £1	220	+10	Heiton (Hldgs.)	64	......
Higsons Brew	87	+2	Ins. Corp.	210xd	......
Holt (Jos) 25p	269xd	......	Irish Ropes	105	......
I.O.M. Stm. £1	165	......	Jacob	37xd	......
Pearce (C. H.)	215	......	T.M.G.	235	......
Peel Mills	30	......	Unidare	85	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	20	Unilever	55
A. Brew	7	"Imps"	9	U.D.T.	4
BOC Intl.	6	I.C.L.	40	Utd. Drapery	10
B.S.R.	8	Inveresk	7	Vickers	17
Babcock	14	KCA	4	Woolworths	6½
Barclays Bank	32	Ladbroke	18		
Beecham	52	Legal & Gen.	14	**Property**	
Blue Circle	18	Lex Service	9	Brit. Land	5
Boots	18	Lloyds Bank	25	Cap. Counties	7
Bowaters	18	"Lofs"	5	E.P.	3½
B.A.T.	28	London Brick	7	Intreuropean	5
Brown (J.)	50	Lonrho	9	Land Secs.	20
Burton 'A'	22	Lucas Inds.	25	MEPC	15
Cadburys	5	"Mams"	18	Peachey	13
Courtaulds	10	Mrks. & Spncr	9	Samuel Props.	14
Debenhams	8	Midland Bank	30	Town & City	2
Distillers	21	N.E.I.	14		
Dunlop	6½	Nat. West. Bank	28	**Oils**	
Eagle Star	10	Do. Warrants	15		
E.M.I.	14	P & O Dfd.	8	Brit. Petroleum	70
Gen. Accident	21	Plessey	10	Burmah Oil	11
Gen. Electric	32	R.H.M.	5	Charterhall	3½
Glaxo	50	Rank Org.	25	Shell	48
Grand Met.	12	Reed Intnl.	16	Ultramar	24
G.U.S. 'A'	30	Spillers	5½		
Guardian	24	Tesco	6	**Mines**	
G.K.N.	24	Thorn	22	Charter Cons.	16
Hawker Sidd.	22	Trust Houses	27	Cons. Gold	17
House of Fraser	15	Tube Invest.	30	Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday May 3 1979

Postal workers vote to reject offer

BY PHILIP BASSETT AND NICK GARNETT

POSTAL WORKERS have overwhelmingly rejected by ballot a pay and productivity offer worth 12 per cent in a decision which could prove embarrassing for the new Government.

A quick settlement for 190,000 members of the Union of Post Office workers could be delayed, too, by an offer to all Post Office telecommunications workers of 9 per cent with further rises of up to 9.5 per cent for some grades.

The UPW members have rejected the 12 per cent offer by about five to one. A settlement for this group is four months overdue.

Further negotiations, which are almost certain to be affected by the stance on pay adopted by the new Government, will now take place.

The offer, which was supported by the union's executive, was framed to keep roughly within the Government's ad hoc wage guidelines and included productivity elements which have worried the postmen and contributed to the rejection.

These elements included an expansion of the use of non-UPW casual labour over Christmas and possibly through the summer, greater use of special part-time working by union members to cover staff shortages and a more efficient system for measuring work.

The Post Office pay offer to six unions representing about 200,000 telecommunications grades is designed to achieve a major grade restructuring and bring all the grades to a common pay date.

The offer gives all grades an increase of 9 per cent from their present settlement date. Those groups whose present date is April 1, including clerical computer staff and telecommunications managers, will receive further increases of 2½ per cent to compensate for their date being moved to July 1.

The Corporation wants to restructure all its telecommunications grades on what it calls a "pay spine." As the first stage all telecommunications staff will receive further increases of 5¼ per cent, and the Post Office is likely to offer a commitment to a second stage from July 1 next year.

The Corporation is also looking for commitments on a number of as yet unspecified improvements to efficiency.

The offer is unlikely to be enough to persuade officials representing clerical and computer staff in the Civil and Public Services Association and the Society of Civil and Public Servants to call off their selective strike action in support of their 25 per cent pay claims.

U.S. oil companies accused of breaking price regulations

BY DAVID LASCELLES IN NEW YORK

SEVEN of the largest U.S. oil companies were accused by the Department of Energy yesterday of violating Federal oil price regulations. The amount involved is $1.7bn (£825m). If the Department wins its case, the companies would have to refund this money.

The charges are by far the largest the Department has yet made in its two-year campaign on oil pricing irregularities. They are certain to raise a storm in the oil industry which has already complained bitterly that it is being hounded by the Federal agencies.

There was no immediate reaction from the oil companies, most of which said they had not yet seen the charges. However, it was widely expected that they would contest them with some vigour.

The companies, and the extent of their alleged overcharging, are: Texaco, $888.3m; Standard Oil of Ohio, the British Petroleum subsidiary, $1.7m; Standard Oil of California (Chevron), $101.6m; Standard Oil of Indiana (AMOCO), $24.1m; Marathon $29.1m; Gulf $578m; and Atlantic Richfield, $42m.

The charges cover the period from August 1973, shortly after oil price regulation began, to last month, and the sums mentioned include interest on the alleged overcharging.

According to Mr. Paul Bloom, the department's counsel who has drawn up the charges, they result from an extensive audit of the oil companies' compliance with pricing regulations.

He alleged that the companies had redefined some of their oil properties so as to benefit from higher price ceilings allowed on certain types of oil.

One charge is that the companies ascribed production to new wells, commanding higher prices, when it in fact came from old wells subject to lower price ceilings. Another contends that companies exaggerated production from "stripper" wells (defined as wells producing less than 10 barrels a day), which are not subject to price control.

Any money recovered by the department as a result of these charges would be distributed to people and companies as well as low-income groups which are adjudged to have been the victims of overpricing.

The oil companies have 40 days to object to the charges, which will be reviewed by the department's Office of Hearings and Appeals.

THE LEX COLUMN

P & O keeps its dividend afloat

Lord Inchcape, P & O's chairman and chief executive, finally broke cover yesterday. Against the background announcement of better than expected profits and a maintained dividend, Lord Inchcape revealed, for the first time, how Britain's biggest shipping company plans to deal with its serious financial and commercial problems.

After months of rumours and the abrupt resignation of the respected former chief executive, the disclosure is welcome. The immediate reaction of the stock market was to mark the shares 2½p higher to 87½p—where they yield an uncovered 11 per cent.

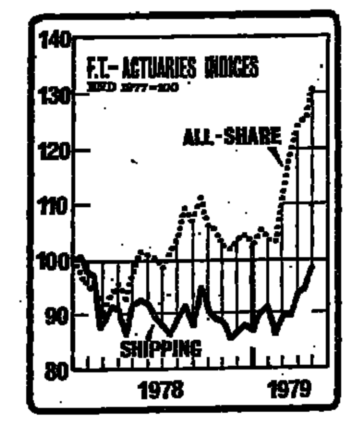
At the pre-tax level P & O's profits fell from £39.1m to £15m (excluding ship sales). Below the line the picture was not so rosy. There were £7.4m of extraordinary items (mainly closure costs) and £6.3m of exchange losses, and with the payment of the dividend the group had to transfer £15.7m from reserves. As a result shareholders' funds fell to around £400m and they might be another £50m lower if the group were to value its fleet and property at current prices. This supports gross borrowings of £425m.

This year borrowings are likely to remain at around this level and the interest charge could rise to close to £40m. Given that the overall profits of P & O could be heading down to £10m pre-tax the board's decision to cut back its ambitious plans—particularly in the energy business—is understandable enough.

The company has trimmed its staff levels (not before time), sold off lossmaking subsidiaries and put most of its energy operations up for sale. It has chosen not to gamble on making a killing in the high risk energy business. The decision may make P & O a duller company in future but at least it should be around in ten years time.

It has just about finished its heavy investment programme and liquidity pressures should start easing next year. In the short term, however, P & O faces two major problems. It has not got any closer to solving its overcommitment to LPG carriers—although rates have moved up, the four big carriers would still, taken together, be losing close to £10m a year. There is also the problem of Iran which used to account for perhaps a fifth of P & O's liner traffic. P & O has stopped sailings to that destination and with the profits of OCL heading lower in 1978, P & O's caution about future dividends makes sense.

Index rose 7.8 to 544.8



With hindsight P & O's big mistake was to become too heavily involved in one or two sectors. As Furness Withy's results showed yesterday, it pays to spread the risks. Its trading profits were only marginally lower at £11.0m in 1978. They would have looked worse if the company had not had the benefit of a big contribution from its offshore interests (£3m say)—particularly the "Uncle John" drilling rig.

Nat. & Commercial

National and Commercial is the first clearing bank group to have to cope with a lumpy bad debt under the new accounting and disclosure policies. The special provision—not quantified separately, but probably of the order of £6m or £7m—is of a size which would have been virtually lost from view under the old rolling five-year system, but it has caused the group's first half pre-tax profits to come out at no more than £41.1m against the £47m or so expected by the market. Sector analysts last night were linking the unidentified provision with Associated Securities, the failed Australian finance company in which National and Commercial had a shareholding until 1977.

Despite this problem, banking conditions have been highly favourable and pre-tax profits are 51 per cent above the comparable figure, though no more than in line with the level of the second half last time. Base rate averaged 12.1 in October-March against 6.6 per cent, and average group advances were some 18 per cent higher than for the first six months of 1977-1978, factors only partly offset by the 20 per cent jump in staff costs and a slight drop in retail margins. With base rate still high the group should be heading for over £90m pre-tax for the full year; at 102p the p/e on the published low tax charge would be 3.9, roughly in line with the sector.

French disclosure

The Paris Bourse's watchdog, the COB, is barking loudly again about the lack of information provided by some French companies. It presents a trenchant list of complaints: a third of French annual reports are clearly unsatisfactory (12 per cent downright inadequate), interim statements are often misleading, consolidated accounts should be improved, and figures from banks have tended to be hard to interpret.

The COB is worried that the wider disclosure brought about by its promptings in 1977 has gone no further. It is determined to keep on arm-twisting, but its direct sanctions are limited; recalcitrant companies have their names published in a list of sinners, while firms with a spotless disclosure record are allowed to produce abbreviated rights issue documents, which should allow them to come to market at short notice. But the COB is largely forced to make up in persistence what it lacks in teeth.

Laporte

Midway through last year the market for titanium dioxide began to harden, with dramatic effects on the profitability of a major slice of Laporte's business. Its rival Tioxide reported an upward profit trend offset by currency losses: Laporte has turned a 33 per cent drop in pre-tax profits at the interim stage into an 18 per cent advance to £12.1m for the year as a whole.

The return on capital earned from titanium dioxide pigments is still very poor and on recent form this highly cyclical market ought to be set to collapse again. But Laporte feels that although in theory the industry still has some 20 per cent surplus capacity, much of this may be permanently inoperative and some sort of balance between capacity and demand may have been reached. At the present rate of profits, with steady growth from the reliable Interox associate, Laporte has become self-financing; the shares, up 9p at 128p yesterday, yield a hefty 9.5 per cent and the fully-taxed p/e of 10.8 is very much historic—unless that cycle turns down.

Civil servants agree pay pact

BY PHILIP BASSETT, LABOUR STAFF

THE CIVIL Service unions yesterday formally agreed a pay settlement averaging 25 per cent over eight months for their 600,000 members.

But the effects of the campaign of selective strikes over the settlement by the two largest unions in the service, representing mainly clerical and executive grades, which were designed to interrupt Government and business cash flow, are likely to be felt for some time.

About £410m in value-added tax repayments to companies has been held up by the closure of the VAT computer centre at Southend, Essex, since the start of the strike 10 weeks ago. The Customs and Excise said yesterday it could take more than three weeks to get back to normal.

Payments to Ministry of Defence contractors totalling about £500m have been held up by the closure of the Ministry computer at Liverpool, though contractors in difficulties during the strike have been claiming interim payments.

Small investors in Government savings have been hit by the hold-up of more than £130m by the closure of the Department of National Savings computers at Lytham, Lancs, and Durham, including £62m of National Savings certificates and £24m National Savings deposits.

Farmers' subsidies from the Ministry of Agriculture totalling £50m to £60m have been halted by the closure of the Guildford, Surrey, computer.

Payments to Property Service Agency contractors through the Department of Environment computer at Hastings, Sussex, totalling £94m have been held up by the strikes, though all but £23m has now been paid out manually.

About £15m in Department of Education central grants to universities and other institutions for research, etc., has been halted.

The Department of Industry and the Scottish Office were unable yesterday to detail how much of their grants had been held up.

Most departments reported that work would be back to normal within the next two months, but union officials estimate that the full effects of the strikes will be felt for much longer.

Inland Revenue stampers in the Stock Exchange will be at work again by Tuesday, as will most areas affected by the action.

Some Scottish court offices will be closed for the next three weeks while staff begin to deal with the backlog of work.

The executive of the Society of Civil and Public Servants yesterday called off the last of the strikes, leaving the way open for the unions to reach a settlement before any change of Government.

European chemicals industry 'lags behind'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

WEST EUROPEAN chemical companies are falling "dangerously" far behind their U.S. competitors in profitability, costs and product prices, Dr. Gernot Winter, managing director of the German-based BASF group's polyolefins division, said yesterday.

Speaking in London, Dr. Winter said U.S. chemical companies were now making three or four times more profit on sales than their European counterparts. He warned that the consequences for the Europeans "could be diminishing investments, plants and technologies becoming obsolete and a further decrease in competitiveness."

PETROCHEMICAL PRICES (on DM basis) (U.S.=100)

	W. Germany	Japan
Naphtha	115	115
Ethylene	145	155
Propylene	120	160
Benzene	125	135
Cyclohexane	105	135

There were "many reasons for the better position of the American chemical companies" and most of these advantages "would remain in the foreseeable future, particularly the advantage of better supply of raw materials and energy."

Dr. Winter estimated U.S. chemical concerns paid 30 per cent less than European companies for their crude oil and gas—which provide petrochemical and plastics raw materials as well as energy. He added that the U.S. industry enjoyed a largely uniform market of consumers, a uniform currency system and "largely undistorted competition without the disadvantageous influence of companies with political objectives."

He said the U.S. had had the "most favourable" pricing position over the years in all cases even after allowances had been made for fluctuations caused by exchange rates and market changes. Europe followed the U.S. on chemical prices "but at a considerable distance, which has dangerously increased during the first months of 1979."

It was also "important for the international competitive situation that in Western Europe about 04 per cent of the Gross National Product in 1976 was taken as taxes and social security contributions." But in the U.S., the figure had been only 29 per cent while in Japan it had been just 21 per cent.

Dr. Winter forecast that the next five years would be bleak for European plastics producers. He pointed out that in the case of products like LDPE (low density polyethylene) every 1 per cent reduction in capacity utilisation increased production costs by 0.5 per cent. He stressed that Western European LDPE plans were running at only 75 per cent of capacity.

"It is improbable that this unsatisfactory situation will improve within the next five years, Dr. Winter said.

Court threat to theatre strikers

BY PAULINE CLARK, LABOUR STAFF

THE RECENT controversy over secondary picketing—a major trade union issue in the election campaign—will be highlighted today when London's South Bank Theatre board seeks an injunction against six National Theatre strikers to get building supplies through their picket line.

The board will argue in a High Court hearing to be held in chambers that because the strikers are employed by the National Theatre, their action is not protected by the 1974 Trade Union and Labour Relations Act. It believes the action amounts to "secondary" picketing.

Mr. Mark Harrison, South Bank Theatre secretary said yesterday that the pickets' action was delaying completion of the National Theatre building which was being carried out by the board as owner of the premises.

The board's decision to go to the High Court follows a series of court rulings on secondary picketing and related issues this winter, notably during the lorry drivers' strike and as a result of industrial action in the newspaper industry.

The board points out that it has no contractual relationship with the National Theatre employees and therefore has no dispute with them.

A separate injunction was taken out against the same six pickets on Monday this week to restrain them from "trespass and nuisance." The National Theatre argued that the theatre was a public building, not a factory and the public had a right to go in and not be harassed.

The unofficial strike over pay by stage hands at the theatre is in its sixth week with little sign of a solution. During the dispute, 77 workers have been sacked for breach of contract.

The executive of the National Association of Television, Theatrical and Kine Employees this week voted by eight votes to seven against acceptance of a formula for re-engagement of the dismissed workers, in spite of support for the terms given by Mr. John Wilson, NATTKE general secretary and Mr. Len Murray, TUC general secretary.

It demanded assurances from the strikers that they would safeguard National Theatre performances from disruption by unofficial strikes. In return it offered a series of procedures designed to protect them from arbitrary dismissal in cases of alleged misconduct. But only six took up the offer.

Continued from Page 1

P & O cuts back as profits fall

cent of costs. Even at this rate, each ship is still losing around £1m a year.

Lord Inchcape said the measures taken and planned would "go a long way" towards securing the group's financial position, but he could not guarantee that there would not be other major asset disposals.

The only parts of the energy business not up for sale are the distribution companies in Britain and the U.S.

More than 30 companies have shown interest in P & O's other U.S. energy interests, but the British National Oil Corporation is still regarded as having first option on the group's 15 per cent stake in the North Sea Beatrice field. On the basis of BNOC's recent purchase of a 25 per cent stake in the same field, the P & O holding should be worth around £15m.

On the shipping side, the group continues to be hit by problems in Iran and general overcapacity in liner trades.

● Furness Withy yesterday reported pre-tax profit for 1978 of £12.2m, against £20.7m the year before. It was also announced that Mr. Brian Shaw, 46, is to take over as chairman of the company when Sir James Steel retires in June. Mr. Shaw is chief executive.

Gulf rations deliveries

BY KEVIN DONE, ENERGY CORRESPONDENT

GULF, ONE of the smaller UK oil suppliers, has started to ration petrol deliveries to all its customers in response to the continuing shortfall in crude oil supplies.

It is cutting back deliveries to all its retail outlets to 90 per cent of last year's levels.

The petrol allocation system took effect on May 1, but Gulf has also been rationing supplies of gas oil, used for heating and diesel, to a similar level for the last two months.

Gulf has about 3 per cent of the UK petrol market and supplies more than 300 filling stations.

Its refinery at Milford Haven, South Wales, was particularly dependent on Iranian crude oil, and has suffered from lower crude deliveries.

It has been forced to try to make up supplies with heavier crudes, which are less suitable for the refinery.

Ninian output Page 6

Weather

UK TODAY

VERY COLD and showery everywhere.

London, S.E. Cent., S.E., Cent. N. England, Midlands
Wintry showers, sunny intervals. Max. 6-8C (43-46F).

Channel Isles, S.W. England
Rain or sleet. Max. 9C (48F).

Wales, Lake District, Isle of Man, N.E. England, Scotland
Wintry showers, sunny intervals. Strong winds. Max. 6-7C (43.45F).

Orkney, Shetland
Hail, thunder, gales. Max. 4C (39F).

● **Outlook:** Cold, sunny intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	15	59	Luxmbg.	C	5	41
Algiers	S	23	73	Luxor	S	43	109
Amsdm.	C	1	34	Madrid	S	21	70
Bahrain	S	28	86	Majorca	S	19	66
Barclna.	F	18	64	Malaga	F	23	73
Belfast	C	4	39	Malta	S	18	64
Belgrd.	S	21	70	Mchstr.	F	7	45
Berlin	C	11	52	Melbne.	C	22	71
Biarritz	C	11	52	Mex. C.	C	30	90
Bmghm.	S	4	39	Milan	F	19	66
Blackp'l	F	8	46	M'ntreal	S	12	54
Bordx.	F	12	54	Moscow	C	19	66
Boulgn.	F	5	41	Munich	R	3	37
Bristol	C	6	43	Nairobi	S	20	68
Brussels	C	3	37	Naples	C	17	63
Budpst.	F	17	63	Nwcstl.	C	7	45
B. Aires	S	17	63	N. York	C	23	77
Cairo	C	33	91	Nice	F	18	64
Cardiff	F	7	45	Nicosia	C	34	98
Cas'b'ca	F	19	66	Oporto	C	14	57
Cape T.	S	20	70	Oslo	F	8	46
Chicago	R	8	46	Paris	F	4	39
Cologne	F	7	45	Perth	F	19	66
Cpnhgn.	C	4	39	Prague	F	7	45
Dublin	C	8	46	Reykjvk.	F	-3	27
Dbrvnk.	F	17	63	Rhodes	S	20	68
Ednbrg.	F	7	45	Rio J'o	C	34	98
Faro	F	21	70	Rome	S	19	66
Florence	C	17	63	Singapr.	S	30	89
Frankf't	Sl	8	46	Stckhm.	S	8	46
Funchal	S	17	63	Strasbg.	F	11	52
Geneva	C	8	46	Sydney	R	21	69
Gibrltr.	F	21	70	Tehran	F	23	77
Glasgow	C	7	45	Tel Aviv	F	27	81
G'rnsey	S	7	45	Tenerife	F	16	61
Helsinki	C	7	45	Tokyo	R	17	63
H. Kong	R	28	82	Toronto	C	9	48
Invrnss.	C	5	41	Tunis	S	24	75
Istanbul	S	19	66	Valencia	S	21	70
Jersey	S	7	45	Venice	R	18	64
Jo'burg	S	26	79	Vienna	C	17	63
L. Plms.	S	20	68	Warsaw	C	13	55
Lisbon	S	17	63	Zurich	Sl	3	37
London	C	8	46				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Israel will keep Golan Heights, says Begin

BY DAVID LENNON IN TEL AVIV

ISRAEL WILL never give up the occupied Golan Heights even in exchange for a peace agreement with Syria, Mr. Menahem Begin, Israeli Prime Minister, declared defiantly yesterday.

In an uncompromising one-hour interview on Israel's Independence Day he asserted: "Without the Golan Heights there is no security. We shall therefore make peace while we are still on the Golan Heights."

Mr. Begin also ruled out implicity any withdrawal from the River Jordan. "There will never be a border in the western part of the Land of Israel," he said.

Israeli proposals for autonomy—which will be the subject of negotiations with Egypt and the U.S.—would give the Arab inhabitants of the West Bank "full administrative self-rule—but not legislative status." Meanwhile, Israel would keep control of security and maintain "the right of Jews to settle anywhere in the West Bank."

West Bank Arabs have protested about Israeli seizure of land between Ramallah and Nablus to create a Jewish town.

This is part of the Israeli programme to establish Jewish settlements between Palestinian population centres. The aim of this is to cut the West Bank into Jewish and Arab sections, making it impossible to establish a Palestinian state there.

Ramallah residents yesterday stoned a bus carrying members of the extremist Gush Emunim settlement movement to the starting-point of a march through the West Bank, intended to demonstrate the right of Jews to settle there. One passenger was injured.

Radio Riyadh of Saudi Arabia yesterday accused Egypt's President Anwar Sadat of being a liar. It was responding to the Egyptian leader's assertion on Tuesday that the late King Feisal of Saudi Arabia had advised him in 1973 not to trust President Hafez al Assad of Syria.

Egypt is mounting a diplomatic offensive to win African and Asian support for the Egyptian-Israeli peace treaty See Page 4.

In contrast, Mr. Begin said Israel should rejoice on this Independence Day, because, for the first time, it had a peace agreement with Egypt, the largest and most important Arab state.

"We have not solved our problems with other countries—Syria, Jordan, Iraq and Saudi Arabia—but they do not constitute a danger to our existence."

The Prime Minister said that, if they attacked, Israel would defend itself by counter-attacking, adding, "We do not want this war or the victory which would result from it."

Mr. Begin also attacked the U.S. for granting a visa to Mr. Shafik el Hout, the head of the Palestine Liberation Organisation's Office in Beirut, to make a speaking tour. He warned: "If one day the Americans open negotiations with that organisation of murderers it will be a black day for free mankind."

Ihsan Hijazi reports from Beirut: Mr. Abdel Halim Khaddam, Syrian Foreign Minister, held talks yesterday with President Elias Sarkis and other Lebanese officials in preparation for a Lebanese-Syrian summit conference.

State-controlled Radio Lebanon said an agenda for the projected meeting between Mr. Sarkis and President Hafez al Assad of Syria was discussed. A date for the summit will be fixed when agreement is reached on the subjects to be considered.

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...otions signal a victory
But it called for Holland

هكذا من الأصل